

STATE OF CALIFORNIA

MEETING OF THE  
CALIFORNIA INSPECTION & MAINTENANCE REVIEW COMMITTEE

**REVISED**

Webcast  
Tuesday, September 28, 2004  
California Air Resources Board  
1001 I Street, Second Floor  
Central Valley Auditorium  
Sacramento, California

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### MEMBERS PRESENT:

VICTOR WEISSER, CHAIR  
PAUL ARNEY  
TYRONE BUCKLEY  
DENNIS DeCOTA  
JOHN HISSERICH  
BRUCE HOTCHKISS  
ROBERT PEARMAN  
JEFFREY WILLIAMS

### ALSO PRESENT:

ROCKY CARLISLE, Executive Officer  
LYNN FORSYTH, Administrative Staff

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## P R O C E E D I N G S

CHAIR WEISSER: Okay. Ladies and gentlemen. Welcome to today's meeting of the Inspection and Maintenance Review Committee. We have a quorum present, and the first thing that I will do is ask the members of the committee to introduce themselves starting from my far right.

MEMBER PEARMAN: Robert Pearman.

MEMBER BUCKLEY: Tyrone Buckley.

MEMBER ARNEY: Paul Arney.

MEMBER HOTCHKISS: Bruce Hotchkiss.

MEMBER WILLIAMS: Jeffrey Williams.

CHAIR WEISSER: I'm Vic Weisser, the chair.

MEMBER HISSERICH: John Hisserich.

CHAIR WEISSER: Thank you.

As you know, this meeting is being webcast. This time my understand is, however, we do not have an email entree for people who are listening in for their questions. Therefore, I'm going to suggest to those people who are joining us via webcast that if questions arise, that they submit those questions to our executive officer Rocky Carlisle either by email or snail mail.

And Rocky, if you could introduce yourself and give them your email address and your mailing address so that they could get comments in to you which will subsequently be distributed to the members of the committee.

MR. CARLISLE: Yes, my name's Rocky Carlisle. My email address is rocky\_carlisle@dca.ca.gov. If they want to submit written or snail mail, it can go to 400 R Street, Suite 1080, Sacramento, California, 95814.

CHAIR WEISSER: Thank you. Let me describe before we head into the administrative portion of the agenda my intentions for today. This will be once again a principle opportunity for the members of the committee to discuss the work that they've performed thus far via the subcommittees that we established several months ago on the development of aspects of the statutorily required report to the Legislature and to the Administration.

This meeting also, however, provides an opportunity for members of the public to comment on the overall BAR/CARB report, both for the edification of this committee and to provide feedback directly into the hands of ARB and BAR, both of which have representatives here for the principle purpose of hearing public input on their report.

Following submission of this committee's comments to the report and comments that they receive from the public, a final report will be issued by ARB and the Bureau of Automotive Repair.

Members of the committee know that when they need to speak you need to push the little button on your microphone in order to activate it.

Members of the audience, as in the past, what we'll do is provide opportunities for public comment. The amount of time

per comment is initially limited to three minutes. When we give everybody a chance to share their views, we will then go around and give an additional three minutes to those that have something further to say.

And of course, this committee welcomes any and all input in writing either through email or snail mail or any mail.

— o0o —

And with that, we'll move into just some of the administrative matters that we must take care of. First we have to approve the minutes of our last meeting, which was July 27th, 2004.

Members, have you had a chance to review the minutes? Are there any suggestions for changes that need to be made? Hearing none, is there a motion for the adoption and approval of the minutes?

MEMBER HISSERICH: I move adoption and approval of the minutes.

CHAIR WEISSER: Mr. Hisserich moves approval. Mr. Hotchkiss moves to second. Is there any discussion? Hearing none, all in favor signify by saying aye.

IN UNISON: Aye.

CHAIR WEISSER: Any opposed? No noes.

— o0o —

We will then move to the executive officer's activity report. Mr. Carlisle?

MR. CARLISLE: Thank you, Mr. Chairman. It's been a — some people won't believe me, but it's been a busy month. One

of the things we've been trying to do is implement a contract that was awarded some time ago.

We've had some success in getting DMV access for information. I think we've reached consensus on the survey questions which you have in your committee binder. We'll be discussing them today just to finalize them. And then the next task of course will be of retrieving the DMV registration information, so I'm going to be working on that this week.

In addition, on the 16th of this month in lieu of the meeting that we were going to have, the chairman and I conducted a number of telephone conferences with subcommittee members, one member at a time since we do have a restriction by Bagley-Keene **open meeting law**, and it was very productive. We, as a result, got a lot of the work in, there's a lot of drafts that are being written at this time. In the meeting packet there are a number of drafts that I completed in draft form. There's others that I just have the raw information included there for your review today and we can talk about those.

Some of the issues that came up at the previous meeting. One in particular was Mr. Trimlett that was there had a question about section 44013(c) of the Health and Safety Code, indicating that he thought that limited the fail rate for the Smog Check Program to five percent.

In fact, in discussions with both Don Chang, senior legal counsel at DCA, and Mark Carlock of the ARB, they both agreed that this refers to the false fail rate that can be

present for vehicles, and so it has nothing to do with the overall fail rate for the vehicle fleet.

Another issue was a request by Charlie Peters for information from the Air Resources Board. I did subsequently send a request to Mark Carlock at the Air Resources Board and I understand they are working on that request. It includes a significant amount of data; therefore, they're trying to figure out how best to package that for him and as I understand it, like I say, is in the process of being delivered.

With regard to the committee's booklet this morning, there's a number of sections, one is the revised subcommittee list with the departure of Mr. Covell and Mr. Martin in the last couple months we had to make some changes, so those are reflected in that subcommittee list.

Section three has some draft subcommittee reports, and as I mentioned, that first one, for example, on item six is simply the notes from Gideon Kracov and my intent was to put this in a format similar to the other reports that I've drafted in this.

There's also a draft questionnaire in section four for your review.

More importantly, some legislation has been signed. As you know, the Governor has been rather busy signing legislation, and so some of the legislation has been signed.

AB2128, for example, redesignates the \$6 of the \$12 fee. Instead of \$4 going to the vehicle inspection and repair fund and \$2 going into the HPRRA, they basically reversed that



as a result of this bill. Now \$4 of that smog abatement fee will feed into the HPRRA while \$2 will go into the VIRF.

CHAIR WEISSER: How will that affect where expenditures are made?

MR. CARLISLE: My understanding is that improves the ability of BAR to ramp up the scrap program, and I don't have particulars on it yet but there has been talk about increasing the amount. I don't know where that stands right now.

AB2683 was passed by the Governor. SB1107, which is another bill obviously that - **part of the** budget trailer bill. SB1542 was signed by the Governor. That requires that the director of Department of Consumer Affairs appoint an enforcement monitor by January 1st, 2005, and they have to report to - develop a report, if you will, on enforcement activities, I believe, by the end of next year.

And finally, SB1615 was passed. Essentially, that eliminates the requirement for '75 and older model year vehicles coming into the state first time. It's basically clean-up legislation, as I read it, to make the older vehicles comply with the requirements.

For example, on initial inspections for vehicles coming into the state, they no longer have to get an inspection if they're '75 or older and that complies with the 30-year rolling exemption that did exist.

And that's about the end of my report.

CHAIR WEISSER: Are there any questions from any members of the committee on the report that Rocky just gave us?

The committee, I'm sure, is gratified to know that its unanimous recommendation supporting AB2683 was heard by the Governor when he signed it. I'm confident that the concerns that we heard from members of the classic car community will be respected and we will not see an incursion into the classic car hobbying area in any way, shape or form that will result in a reduction of the joy that classic car collectors have in the maintenance and enhancement of their vehicles, as well as new vehicles that will become classic cars. They will become classic cars, but now we'll all be able to breathe a little bit easier because they will become classic cars while still maintaining proper air quality.

Are there any comments from members of the audience, people would like to make at this point on items up to right now? We'll start at the beginning front row and then work backwards. Mr. Peters.

Excuse me. Before you start, Mr. Peters, we should acknowledge the presence of Mr. Dennis DeCota, our longest standing member of the IMRC.

Mr. Peters.

MR. PETERS: Mr. Chairman, Mr. Recognized Member DeCota, members of the committee, I've got three items here I'd like to comment on.

The issue of the minutes and the previous discussion of the position of the committee and the letter to the Legislature and so on, I am still confused as to whether appropriate procedures were followed, and I never heard. Many

of the items in the letter actually discussed, decided upon or voted upon, so I have reservations that that was appropriate procedure, and never heard the committee decide it was appropriate to take four years out of the change of ownership. In reading the minutes, that's certainly not clear at all, and I petition the committee to consider clarifying the minutes so that appropriate interested parties can have a better perception of what has actually transpired.

Item two. I would to have it clarified as to what the rules are as far as the number of people communicating on the committee to constitute a requirement for a public meeting. Previous committee indicated that three members or three people as a part of the committee constituted a public meeting, and Mr. Rocky indicated that himself and the chairman and another member were communicating. I would like to have that clarified as to what appropriate numbers of people are supposed to be able to communicate without that being having public purview.

The big surprise that we gutted a bill and at the end decided it was much more important to scrap cars than repair them certainly did not come as a surprise to me because significant people at the Bureau of Automotive Repair have indicated to me that that was the wishes from the start that the additional monies were to go in the scrap program. I just wanted to make a personal comment on that. Thank you.

CHAIR WEISSER: Thank you, Mr. Peters. Insofar as I'm aware, Mr. Peters and members of the audience, this committee has in fact not taken a position on the four-year exemption on

change of ownership, and in fact, that will be an item that we'll be chatting about later today and I think in the future, so I think it does raise some issues that certain members of the committee are concerned about and want to bring forward perhaps as part of our report.

Insofar as the communications between members, I should point out to you that Mr. Carlisle, Rocky Carlisle, our greatly respected executive officer, is not a committee member and we were very careful not to have any discussions take place with any more than two committee members.

And just to be clear, the purpose of those discussions was for me to get a sense of the status of the development of the reports by various subcommittee members. I wanted to find out where things stood, because we have put a self-imposed deadline of getting a report out before the end of the year. We only have this meeting plus two others likely remaining before the end of the year, so we need to get cracking in order to make sure that we get a report out on a timely basis.

Thank you, Mr. Peters.

Are there any other comments? Chris.

MR. ERVINE: Chris Ervine with STARS, State Coalition of Test-and-repair Stations. My understanding was that the CAP funding is cut in half; is that correct?

MR. CARLISLE: No, it was -- the CAP funding has actually been increased. CAP comes out of HPRRA.

MR. ERVINE: But on the \$6 that was to go to -- that was funded through --

MR. CARLISLE: Smog abatement fee?

MR. ERVINE: Right. \$4 was originally to CAP, and then \$2 was to go toward —

MR. CARLISLE: No, \$4 I believe was originally to the VIRF and \$2 to the HPRRA. Now that's been reversed so there'd be more CAP money available.

MR. ERVINE: Okay. My understanding was that they were just sending more towards the crushing of vehicles.

MR. CARLISLE: That's also part of the HPRRA.

MR. ERVINE: And you said that it was originally \$4 towards CAP and then \$2 towards crushing of vehicles and they just flip-flopped it.

MR. CARLISLE: No. CAP and crushing vehicles comes out of the HPRRA, the High Polluter Repair Account. The other one is the VIRF, the Vehicle Inspection and Repair Fund.

MR. ERVINE: Okay.

CHAIR WEISSER: If I could interrupt and if you could keep his time off for awhile, Lynn, I just want to make an expression on the part of me as one member of this committee. I'm interested in seeing the amount of funds that are available for both early retirement of higher polluting vehicles and repair of higher polluting vehicles, particularly through the — thank you for that bit of entertainment, Mr. DeCota.

MEMBER DECOTA: Sorry.

CHAIR WEISSER: — that we do what we can as a state in these difficult financial times to increase the amount of funding for both low income consumer assistance for repairs and

for scrappage for encouraging people to retire before they might otherwise retire older higher polluting vehicles.

Back on the record, or on the timer.

MR. ERVINE: Okay. That was my question.

CHAIR WEISSER: That was it? Thanks, Chris.

Mr. Armstrong.

MR. ARMSTRONG: Yes, Mr. Chairman, thank you. My name is Larry Armstrong. The issue that just came up a minute ago about cutting the repair funds in half, there was an article in the newspaper just within the last couple of days that addressed that and said that they were cutting that in half. Maybe there's other funds available, but it said they were cutting it in half.

I also believe that I heard that a law had been signed that allowed the older vehicles to come into the state without a Smog Check, which is probably should have had you people jumping out of the podium there and nobody even moved, so I would hope you would be checking on that because what you've done is allowed the creation of a market for older cars to flow into the state and then get allocated with car crushing money after a short period of time, so there's some irony built in there if that's true.

The law as I understand it just increased the amount of money to be taken from registration fees going towards car crushing and things like that, and I thought we had a pretty good discussion here at one point in time where there was about \$114 million that had been appropriated by the state that really

belonged over there, in my opinion, in those funds, and maybe there should be some demand that those funds be returned before any more money is asked for. I thought that was the conditions of asking for any more money.

I'm concerned, Mr. Peters mentioned minutes. I thought that there were still minutes open from a previous meeting that was basically changing the proposed minutes from a meeting before, and I'm still concerned in that arena. I believe that this committee in that area has gone off to the side and under the direction of the chairman sent letters to the Governor and others that was backing up movement of funds to Carl Moyer Fund that in my opinion has absolutely nothing to do with the Smog Check Program in California, and I believe from my limited knowledge that the responsibility of this committee, neither does the committee have anything to do with the Carl Moyer Fund and your job is to analyze and make recommendation for the Smog Check Program, and in my opinion, taking out years five and six and destroying the Smog Check Program would not be one of those things that you would want to recommend.

Thank you. Actually, I came here today and I've thought about it and I'm going to do it.

I think that the divergence away from the responsibilities of the committee is important enough to me to where I feel that I'm going to ask that the chairman of this committee consider resigning because he seems to have what I perceive as a conflict of interest between his other job and this responsibility and those two things have crossed and he has

not fulfilled the responsibility to the committee, so I would put that forth as my recommendation for action on the part of the chairman. Thank you.

CHAIR WEISSER: Thank you, Mr. Armstrong. No. Yes, sir?

MR. STERNS: Good morning, Mr. Chairman and members of the committee. My name is Bob Sterns and I'm the current president of the Association of California Car Clubs, and we were one of the major organizations that opposed 2683, as you well know. The thing is, it's signed and kind of water under the bridge at this point in time.

The thing is that we are still out there to protect our hobbies, and the concern I have is when Assemblywoman Leiber and others have stated that the pre-'76 cars would be permanently exempted from the Smog Check Program in the future, I have a concern with that because we would like to see that happen, but according to a report dated April 2004 by Air Resources Board and the Bureau of Automotive Repair, it indicates in there, and I'm going to quote this, it says, "With daunting need for emission reductions to meet California air quality standards, adding these vehicles to program could be considered at some point in the future."

So this here actually is a conflict of what we're being told by the Assembly people and others in the government, so I have a real concern and so does my members in California, so I would like an explanation of that. Is that still a valid statement in that report? And with the recent decision by ARB



to reduce the emissions by 2009 by 25 percent, is that going to be more focused on the classic car hobby versus just new cars being built by manufacturers? Those are a couple questions I have for ARB and the Bureau of Automotive Repair.

But the thing that I'm concerned is are we being told one thing and things are going to turn out to be another, and that's our concern as collectors and hobbyists in the State of California.

We want to protect our hobby. I mean, that's what we're all about. Sure, most of you or a lot of you have been to some of these car shows, and these cars are not high emitting vehicles. These are show cars and they're only driven to the car show and usually in the summer time or maybe at Christmas time only to raise money for organizations the government doesn't support, so we feel we're being infringed in that case in that situation.

So anyway, I'd just like to -- and also one other thing, sorry, that we're concerned about the roadside sensing that the Bureau of Automotive Repair is going to put into place at least probably next year, I'm not sure of the exact time but it's a subject of your meeting, I know, and we're concerned about the collector of classic car hobby involved in that portion of the legislation.

CHAIR WEISSER: Sir, could you identify a little more precisely the source of the memo that you're referring to?

MR. STERNS: Yes. It's a draft that was submitted to the IMRC.

CHAIR WEISSER: This is the draft BAR/CARB report.

MR. STERNS: Correct.

CHAIR WEISSER: Okay.

MR. STERNS: The report. And you know they have some figures in there that pre-'76 vehicles emit so much emissions, and the thing is is I'd like to see proof of those figures. I know they used probably a computer-generated model, but we can provide some actual figures and facts, and the thing is we need to get on the same page.

CHAIR WEISSER: Thanks.

MR. STERNS: We're not here to fight, we're here to — we want to stay in the State of California. We want to have the privilege to drive our cars.

CHAIR WEISSER: I appreciate the the constructive attitude that you've taken. Is there a representative from the Air Resources Board here today? Could you come up and tell us with a one-word answer whether it is the intention of the Air Resources Board to propose going back prior to the 1976 cut-off, yes or no?

MR. PENSON: No. And —

CHAIR WEISSER: Thank you. Is there a representative from the Bureau of Automotive Repair here today? Would you please come up to the microphone and tell us whether it is the intention of the Bureau of Automotive Repair to go back prior to the existing 1976 cut-off. '76 cut-off, did I get that wrong?

MALE VOICE: Pre-'76.

CHAIR WEISSER: Pre-'76, thanks.

MR. ROSS: (Inaudible)

CHAIR WEISSER: If you can shout, yes, you can. Dick, you don't have to go up.

MR. ROSS: Our answer is no also.

CHAIR WEISSER: Your answer is no also. You have it now on an official record that there is not -- they do -- what I'm hearing as clear as you guys are hearing is that there is no intention on the part of the Air Resources Board or the Bureau of Automotive Repair to attempt to go back and bring in prior to 1976 cars into Smog Check. Thank you, Mr. Sterns, for your comments.

MR. STERNS: Thank you.

MR. ARMSTRONG: Neither one of those people identified themselves.

CHAIR WEISSER: Excuse me, Larry, it's not your turn to talk. Oh, you didn't know who they were?

MR. ARMSTRONG: That's correct.

CHAIR WEISSER: Okay, very good point, Larry, thank you. The first gentleman?

MR. PENSON: Andy Penson with the Air Resources Board.

CHAIR WEISSER: Thank you. And Mr. Ross?

MR. ROSS: Dick Ross, BAR chief.

CHAIR WEISSER: Thank you. Thanks, Larry, for clarifying that for the record, I appreciate it.

MR. ARMSTRONG: Is it on the record?

CHAIR WEISSER: It's in the transcript right now. I'm hopeful that we can put this issue behind us and, as Mr. Stern

said, work together as we move forward to make this program, the Smog Check Program, the most cost-effective it can be in terms of reducing emissions and air quality.

Okay. Are there any other comments regarding the minutes or the executive director's report? Mr. Decota.

MEMBER DECOTA: Thank you, Mr. Weisser. Larry referred to legislation that would allow vehicles into the state. Rocky, do you know what legislation he is referring to, what bill? Mr. Armstrong addressed a bill that was moving through the Legislature that would exempt vehicles coming into the state.

MR. CARLISLE: Yeah, that was — let me look at it here. That was SB 1615. What it does, it just makes the model years coming into the state coincide with the rest of the program. In other words, had they not passed that bill then you could have had a '75 vehicle coming into the state on an initial inspection for registration and it would have been subjected to an inspection where had it already been here it would not have been subjected to an inspection. So essentially it was just clean-up legislation is all it was.

MEMBER DECOTA: Okay, but I think his point was that we would allow polluting vehicles into the state.

MR. CARLISLE: That's a possibility, yes.

MEMBER DECOTA: Through this legislation. Is that not correct?

MR. CARLISLE: I haven't read it that closely, but — or done an analysis on it, but it's certainly a possibility.

MEMBER DECOTA: Would you look at it and let us know at the next meeting?

MR. CARLISLE: Yes, I will.

MEMBER DECOTA: Thank you.

CHAIR WEISSER: I guess it would seem to me that we'd have a difficult time with the commerce clause of the Constitution if we had one set of standards for in-state and a different set of standards for out-of-state, and if we're exempting pre-'76 cars in-state, I don't see how you could not exempt pre-'76 cars out of state.

MEMBER DECOTA: From 1976 back to 1966 there are standards, emission standards. Would it be anti-productive to the emission inventory of the state if all of a sudden it became very popular to import vehicles into the state that had an emission problem? Is it something we as a committee may need to look at, I don't know.

CHAIR WEISSER: You bet. And I think the issue Mr. Armstrong raised regarding concern associated with these cars coming into the California market perhaps for the single purpose of later being retired is an issue that the folks that are administering accelerated vehicle retirement programs have to wrestle with, and in fact I think they have. In some local areas you're required to have operated the vehicle for X number of years before they'll qualify for it. But it's a good issue, it's an important issue and it's one we need to look at. Thank you, Dennis.

We're going to do these two questions and then we're going to move on. Mr. Peters and then Mr. Armstrong.

MR. PETERS: Mr. Chairman and committee, I'm Charlie Peters, Clean Air Performance Professionals, we represent motorists.

I found it very interesting not so much what was said but what was not said. The previous committee chaired by Lynn Skarlett, executive officer wrote a letter and requested Senator Kopp's opinion about whether the 1966 and newer cars were subject to remote sensing to identify them and take appropriate action, and so he sent that to Legislature counsel and Legislature counsel indicated that in fact those cars were subject to remote sensing and whatever to be called in and be repaired or scrapped.

So I met with Senator Kopp in January of 1993 and he made it very clear that Smog Check was going to be replaced by the remote sensing program, absolutely no discussion, period. So indicating that those older cars will not be addressed in Smog Check, maybe that's part of the story, but it certainly appears to me as though there may be a lot more to that story and we certainly would like to have the committee clarify that, please.

CHAIR WEISSER: Thank you. Chris, I'm sorry, I thought it was Larry's arm waving.

MR. ERVINE: Good morning again. My understanding is on the vehicle retirement program that the vehicle must have been registered for, I believe, at least two years prior and it

may not have any missing, modified or disconnected equipment on it to be eligible for the retirement program. However, my experience has been in the past that this does not apply as well as a lot of things that go along with the CAP program.

CHAIR WEISSER: Chris, I believe that there are a variety of vehicle retirement programs, some have been operated by the State of California through the bureau, others have been operated through local districts. And in fact, I believe the standards for accepting vehicles into those programs has varied air district by air district and the state's programs. I don't think there's any agreed upon absolutely uniform approach.

MR. ERVINE: Is this not state funds that are —

CHAIR WEISSER: Not all the vehicle retirement programs are funded through state funds, there are some that are funded through local funds, generated through special legislation that added registration fees in particular in the Bay Area and the South Coast Air Quality Management District area. I'm not sure about Sacramento. I believe Sacramento has **that**. Does anyone know? Those are the two that I know of.

MR. ERVINE: My feeling is that if there are any state funds involved, even though it's through a local district, and they are using partial state funds or all state funds, that there should be a uniform guideline pertaining to all scrapped vehicles being eligible and it should not be up to one district to another. We have to have some kind of uniformity in the state, and we do not have it, and we need to get it documented

and we need to have it written down in stone so that everyone can read it and understand it clearly.

CHAIR WEISSER: Thank you for your advice in that regard.

— oOo —

Okay. We are now going to move into a discussion of the committee reports, and what I think the best **idea** is to march down each of the subcommittees to identify and share with members of the committee and the public the nature of the investigations that are going underway, the status of those investigations, any tentative conclusions that your group, your subcommittee is moving **toward, roadblocks or obstacles that you're facing so that we have a chance to figure out a way to fix them, and a** sense of timing. So what I'd like to do is kind of just march through the subcommittee assignments that you have in your briefing package under item number two and ask members of the subcommittee who are here to share with us their thoughts and their progress made to date.

Some of the committee members have indeed submitted early working drafts that some of us are looking at for the very first time right now, so we need some explanatory background.

Members of the public, what I urge you to do if you have any questions or comments on these is to jot them down, because what I want to do is march through all **of these before moving** into the public comment phase; otherwise we're just never going to be able to get through the large number of subcommittees that we have.



And I also again urge you if you have comments that emerge during the day on the BAR/CARB report that is not covered in any of the subcommittees that we're working on, if you would raise those issue today so that BAR and CARB have an opportunity to hear your comments.

With that, the first item, which is a subcommittee composed of Dennis and John to my left, looking at the potential for adding an idle test to the ASM procedure. Would one of you like to kick off?

MEMBER DECOTA: It would be unfair for John because he was promoted into this committee at a later date, but I believe I was with Mr. Martin on this originally. And we did contact our executive officer, who basically went to the referees to see if possibly the referees could take and conduct a satellite program that would take a pilot study and give us some ideas on how the preconditioning impact on emission reductions would work.

I also got something from Mr. Cackette, I believe, on this. I was trying to find it, Mr. Chairman, I'm sorry.

CHAIR WEISSER: That's okay.

MEMBER DECOTA: Mr. Cackette wrote on July 13th, 2004, an assessment of adding an idle test to the current enhanced acceleration simulation mode test. I do have -- I don't know if the committee has this letter.

MR. CARLISLE: We do. I just didn't bring copies with me.

MEMBER DECOTA: No problem. Which we'll make – I'm sorry, Mr. Chairman – available to you and the rest of the committee.

The conclusion is, "As indicated by Sierra's analysis..."

CHAIR WEISSER: And that's Sierra Research?

MEMBER DECOTA: Yes, sir. "...there is a potential for emissions benefit from adding an idle test to the two-mode ASM test. Most of the potential benefits appear to come from older vehicles without computer controls, which means that the fleet turnover would decrease benefits in the future. The estimate of benefits assumes that the additional failures identified by the idle test would lead to repairs that resulted in lower excess emissions. Additional vehicle testing would be needed to validate this assumption.

"Lowering the ASM cut points may provide comparable emission reductions at a much lower cost in shorter timeframe than adding the idle test. An analysis of the feasibility and the impacts of lowering the ASM cut points will be included in a study of vehicle specific cut points currently being contracted by ARB and BAR."

So it seems like a reasonable evaluation from the standpoint of seeing how the cut points would increase the identification of emissions during this idle program. There is about a four-page report that Mr. Cackette did on this which I found to be very interesting and that also has the economic components of it, which I will share of course with John and all

of you, but I believe at this point it would be prudent, if I'm right, Rock, that we take and wait until we see that report in order to evaluate the cut point issue.

CHAIR WEISSER: What's the timing on the report?

MR. CARLISLE: On the cut points I understand it was going to be toward the end of summer, but I don't know the current status of it right now.

CHAIR WEISSER: I think we're in fall, aren't we?

MR. CARLISLE: Correct, yes.

CHAIR WEISSER: Is there a representative from the Air Resources Board here who could perhaps bring us up to date as to the timing of that study?

MS. MORROW: Sylvia Morrow, Air Resources Board. It looks like we're probably going to get some preliminary data at the middle of next month. The contract is actually scheduled to end December 30th, but we might have some finished product by the end of October.

CHAIR WEISSER: Before you leave. This is a study to determine changes in the cut points?

MS. MORROW: Yes. Currently, cut points are based on ESE codes which have a large group of vehicles and basically the cut points are driven by the worst car in that category. And so what we're looking at is we're looking at two things. Number one is, should we have repair cut points or just lower the cut points? And then the second thing is we're looking at can we broaden or make more categories so that we can get more emission benefits, because there are a lot of cars that, you know, easily

pass the test and yet they may not have complete repairs, and so we're just looking at broadening the emission standard categories.

CHAIR WEISSER: And this is not an issue I guess that's currently before us because they haven't finished the report, but it's certainly one this committee is going to be very much interested in.

MS. MORROW: Yeah.

CHAIR WEISSER: We've heard in the past from the public and committee members two different sides of the coin of having tougher cut points and tougher repair cut points.

MS. MORROW: Yeah.

CHAIR WEISSER: We'll be very interested.

So Dennis, what are you and John going to be recommending here?

MEMBER DECOTA: Well, I have to talk to John about that, to be very honest with you. But the recommendation especially I feel has become even more paramount because of the 30-year rolling exemption issue, and that we have vehicles that **we can** — if we can get four to five tons from this type of testing, which will take a software change which could be expensive, or find some way to do it through the cut point issue, I think that we'll again increase our ability to test and repair vehicles that need to be brought into compliance and I think those are leaking through the system now and that we need to take and realize that this is a very, very valuable part of

the test-and-repair industry's ability to properly diagnose and repair the older vehicles.

CHAIR WEISSER: Excellent. So the timing of this is such that it is unlikely for us to include this in the report, other than, Rocky, it would seem to me appropriate for us to identify in the report our work on this item and our intention to provide a supplemental report when in fact the ARB/BAR analysis is completed and we've had a chance to review it and come to closure on it.

MEMBER DECOTA: Well, I hope it would be in the report as far as, if nothing else, a continuing study.

CHAIR WEISSER: Precisely.

MEMBER DECOTA: Okay.

CHAIR WEISSER: Okay. John, is there anything you'd like to add?

MEMBER HISSERICH: No. I'm anxious to see that. I do want to see the document that Dennis mentioned.

MEMBER DECOTA: I have the original.

MEMBER HISSERICH: Okay. No, we'll be in discussion.

CHAIR WEISSER: Very good.

The second item is composed of a subcommittee of myself and Paul Arney, and that was to review and comment on the BAR budget but it was really the process for generating and accounting for the funds that go into the Smog Check Program.

A couple months ago I gave a report on the conversations that we've had with CARB and BAR and I had a subsequent conversation with Department of Finance, so I don't

think it's necessary for me to go into that in any depth with the committee other than to repeat that it does appear that the monies are accounted for and are being handled in accordance with the statutory construct, which, as has been pointed out so well by members of the audience, allows for a borrowing of funds that can be taken out of accounts that are established for the Smog Check Program and be paid back with interest from the State pooled money investment account.

The critical question to me is, when do they ever get paid back? And the second question that you heard previously is, doesn't the law provide that before you go after additional monies from the public through taxes or fees, that the monies that are owed be paid back, and that's something that I think would deserve a bit more exploration.

The third item, Mr. Hotchkiss and Tyrone Buckley are to be covering the BAR roadside testing, the budget, the data, et cetera. I think we had a chance to speak with Bruce. Tyrone was off in the wilderness or something so I don't know what's going on there, but Bruce, you and Tyrone are working on this item and what do you have to offer?

MEMBER HOTCHKISS: Actually, well, I got a contact person from Rocky and so far I've been unable to contact him. From my own schedule, I've been in and out of the office a lot.

CHAIR WEISSER: Could you back up and describe what you're really looking for in this?

MEMBER HOTCHKISS: We're looking at the budget and the data from the roadside. Our understanding is that BAR is - I

know that they had a posting for hiring more employees for that, air quality representatives I believe, and I'm not sure if they actually hired the people yet or where they are on getting this back on track. It does look like the roadside inspections are coming back into being, and we basically just want to nail down exactly where they are, where BAR is on it.

CHAIR WEISSER: So this **was** an issue of resources being sifted away from the normal roadside testing to accommodate other program **demands, and** in particular, if I remember correctly, it was for staffing of the remote sensing pilot demonstration project; **is** that correct?

MEMBER HOTCHKISS: That's correct. And I think the committee, the full committee felt that the roadside inspections are very, very important to help validate the overall smog inspection program and we wanted to encourage BAR to make sure they were back on track and an ongoing program.

CHAIR WEISSER: So what's the nature of your report going to be?

MEMBER HOTCHKISS: Hopefully it's going to be very, very small and very short. If we want to know where they are and to encourage them to keep it going. I mean, our recommendation will be that the data has to be up to date, **or as up to date as possible**, and that the program should be an ongoing. **It's** a check program basically that should make sure that the Smog Check Program is heading in the direction it needs to go.

CHAIR WEISSER: Do we have a representative from the Bureau of Automotive Repair that could shed some direct light on the status of filling positions sufficient to conduct the roadside testing program, where we stand, where we're going?

MR. ROSS: Mr. Chairman, Richard Ross, chief of BAR. All of our various position activity is obviously, as some state employees here know, governed by existing SPB and DPA rules in terms of hiring. We have very few vacancies at BAR. BAR during the last two and a half years has lost a significant number of positions. It has multiple duties and responsibilities that it has to carry out, none of which have been reduced either officially or legislatively or otherwise. The ability to fill specific positions oftentimes depends on their competitiveness in the job market as well; who can we hire, who can we get.

The remote sensing project is underway, we are working with ARB relative to the availability of their resources and our resources and the contractor's as well.

In terms of our appreciation of its importance, we recognize how it has been an important perceived activity relative to identifying quality smog-related information, et cetera. I can only advise you that we're pursuing that program as aggressively as our resources allow us to do, and if you want to incorporate my comments into Mr. Hotchkiss's report, then you're welcome to do that, sir.

CHAIR WEISSER: Before I ask Rocky for his question let me ask a follow-up to what you just said. Am I correct, then, in understanding that you now have sufficient positions



and approvals to fill those positions to get that roadside data that people perceive is needed in order to validate the data associated with Smog Check emission reductions?

MR. ROSS: We're obtaining the data as efficiently as the number of positions that we have allow us to acquire it. We have no -- no one is holding us back from hiring; we just don't have vacancies to hire into.

CHAIR WEISSER: You don't have sufficient positions in order to do the kind of job you'd like to do to generate adequate data?

MR. ROSS: You're asking me a question?

CHAIR WEISSER: Yes, that's a question. Do you have sufficient positions to do the job that you're supposed to be doing in this program?

MR. ROSS: At this time I believe we do.

CHAIR WEISSER: Rocky -- I mean Dennis.

MEMBER DECOTA: The chief situation has somewhat been exacerbated because of industry's concern about recruiting employees from industry and the data information base to the test analyzer. BAR had wanted to fill some PR-1 positions and had sent out Help Wanted, so to speak, messages throughout the industry trying to find such employees, and at the request of this industry representative and I'm sure others, Chief Ross has made an executive decision not to use that medium to recruit people, which I'm sure handicaps him somewhat, but on behalf of the industry, Chief, thank you very much for your response on that issue.

CHAIR WEISSER: And on behalf of the public I applaud your creativity in using the tools at hand to try to get folks on board. I'm glad you guys were able to work it out.

So you have enough positions to get the data, the positions are being filled as best you can considering the marketplace. Do you see right now a data gap that could be dangerous in terms of our understanding our ability to true up the model with the on-road results?

MR. ROSS: At this present time before this microphone I don't possess adequate enough information to answer your question.

CHAIR WEISSER: Could you check into that, Dick, and –

MR. ROSS: It is a part of our routine review process in terms of developing a particular program, looking at performance measures and seeing if we're on track to have a conclusion at a point in time when we had planned to have a conclusion, so that is all part of our review process.

CHAIR WEISSER: I think the principle purpose of this subcommittee's work needs to be to be able to tell the Legislature and folks in the Administration that the database is being developed in an adequate fashion. You're the one who's in the best position to let us know if that's not the case because your resources are constrained, so this could be a useful thing in terms of trying to make sure we are getting adequate resources into these areas. That's all I have to say.

MR. ROSS: I hear you. Thank you.

CHAIR WEISSER: Thank you. I have indicated that we weren't going to take the comments from the audience until we were all through, but I realize that might be a mistake, that it could be too long a period of time, so what I propose doing now is to take a limited number of questions or comments, suggestions, advice members of the audience on the one, two, three items that we've covered so far, and we'll start with Mr. Peters.

MR. PETERS: Mr. Chairman and committee, I received a message and I just want to make a point of order that it's been reported to me that trying to listen to the webcast, that the sound is extremely low and very difficult to hear, so I wanted to petition the committee that if at all possible to enhance the signal going out on the webcast so that somebody might be able to hear it, and that was the reason for my hand in the air wishing to make a comment.

CHAIR WEISSER: Thank you very much, Mr. Peters. I'm glad that someone had the smarts to call up. In fact, if we could possibly announce other ways that people who are on the webcast might be able to make contact if they're having some technical problem such as was reported by Mr. Peters, is there a good way for them to do that? Is there any way for them to do that?

FEMALE VOICE: I really don't know, I think you're going to need to --

CHAIR WEISSER: Ah. The queen of the IMRC, Lynn Forsyth. Is there a way that people who are listening on the

webcast, an email or a phone number that they might be able to call if they're having technical problems on our end?

MS. FORSYTH: We need to research that. We're trying to get into the main room right now to talk to the engineer.

CHAIR WEISSER: Well, thank you very much. And for those folks on the webcast, I don't know what else to say other than if you can't hear me, I guess saying something will not do a heck of a lot of good. Hang in there.

Okay.

MEMBER HOTCHKISS: Vic.

CHAIR WEISSER: Yes?

MEMBER HOTCHKISS: Rocky has something.

CHAIR WEISSER: Rocky?

MR. CARLISLE: Just a quick comment. It occurred to me, since I do have this little device called a blackberry, if they email us at the address I previously gave them, we could get immediate response.

CHAIR WEISSER: Okay. And if they can't hear us announce it, Rocky, how can they email?

MR. CARLISLE: They can also call on the call-in line.

CHAIR WEISSER: Okay. That number is on the —

MR. CARLISLE: It's on the agenda.

CHAIR WEISSER: It is on the agenda.

MR. CARLISLE: The announcement.

CHAIR WEISSER: Okay. If we can get back to the substance of our discussion now, we'll do the best we can to deal with these technical issues.

Chris.

MR. ERVINE: Chris Ervine with STARS. Mr. DeCota was talking about lowering cut points and the idle test. I submit that the idle test is going to fail a lot of vehicles that would easily pass the loaded mode test, and I've seen it time and time again.

The other thing. As a consumer —

CHAIR WEISSER: Why, Chris?

MR. ERVINE: Especially in carbureted vehicles, a small vacuum leak will show up at idle where it won't make any effect on the vehicle at all at other speeds, an idle circuit that gets plugged up in a carburetor will also cause problems. And there's a number of other things that could cause that, a slightly leaking EGR valve.

But as a consumer, I would be very upset if my vehicle failed at a test-only station for timing and then I took it to a test-and-repair station and they adjusted the timing and now my vehicle the emissions are the same as they were before but now my vehicle fails because I have a lower cut point because of after repairs cut point lowering. I don't believe that we can require the consumer to actually lower the emissions below the required amount without some kind of legislation.

The other thing that once you get down below to the very low emission reductions, those are the most expensive emission reductions out there, so now your cost per ton is going sky high because you're trying to solve a problem that's going

to reduce emissions a very small amount when they're already below the legal limit.

CHAIR WEISSER: Chris, thank you very much. I think those comments are ones that the committee needs to really pay attention to as do the leadership of ARB and BAR. I also would think the issue associated with having a repair cut point lower than a pass/fail cut point is politically going to be very challenging to explain, and I don't think it's so much of a legal issue as a political issue. And I certainly have heard that the vehicles that marginally fail tend to be a lot more expensive to diagnose and repair than those that fail by a whole bunch.

MR. ERVINE: Correct.

CHAIR WEISSER: So I think both of those are really well -- I've heard it over many, many years and I believe them. Thank you.

MR. ERVINE: Thank you.

CHAIR WEISSER: Mr. Armstrong.

MR. ARMSTRONG: Thank you, Mr. Chairman. My name again is Larry Armstrong. A couple of quick comments.

One being the concept that the same regulators that opted out of having an idle test with the ASM test in the first place are now the ones that we are going to rely on to come up with the answers of whether there should be an idle test in there. There's got to be a little bit of irony in there somewhere and maybe you ought to be asking that question.

I believe I made a statement on the record one time that Mr. Amlin from the BAR turned around one time and said to me in one of these meetings do you really want to have an idle test with an ASM test, and I said yes, but I would say that the — for the same regulators to come back and tell you that, yeah, now we ought to have an idle test in there, that might make themselves look a little bit silly from their original what they decided on.

Mr. Chairman, your comments about the money, how the money gets spent, seemed to me like you were going to accept a non-answer as an answer, and I will tell you that there are people out there that have been asking for years where the certificate money gets spent that is supposed to get spent monitoring and managing the Smog Check Program, and that answer has never been made public to my knowledge and I was certainly hopeful as the chairman you were going to press that issue down to the point to where you actually got some answers this time, but it certainly didn't sound like you were going for answers.

Thank you.

CHAIR WEISSER: Thanks, Mr. Armstrong. I think you raise, you know, one of the fundamental challenges that this committee has faced during this study, and that is a lack of resources available for us to hire independent outside consultants. That's the reality of the State being in very, very difficult budget times, and we're just going to have to do the very best we have. And indeed, sometimes it does force us to rely on the statements of those people who are involved in

managing the program for evaluating the program. Now we have to do our assessment of their responses and replies, but we are in the absence of a heck of a lot of resources available for an external audit review or the like, going to have to do our own audit function, and that's what we're doing.

Excuse me, I'm not done.

In regard to the comment associated with the review of the budget and the funds, I don't have the competence to do an audit, to in other words actually track the dollars going into every account. I do have enough experience as a 25-year manager in state government, to be able to track monies as reported in accounts over a period of years without an actual audit, just by following the trail of where the dollars are reported. The systems that they are using to follow that money and to track that money, I am pretty confident are clean, Larry, I don't think there's any funny money or funny business going on in terms of any sort of shell game associated with the dollars. At least if there is, they're better at doing it than I ever was.

MR. ARMSTRONG: Just one comment on hiring outside resources. My recollection is that this committee never asked for funds, it just assumed that funds were not available, and I don't recall the committee ever asking to have funds to do a proper job of making an assessment of what's going on.

CHAIR WEISSER: That is an incorrect assumption. This committee has had discussions with both ARB and BAR associated with the funding of the committee's activities. They didn't



have them, they didn't give them to us. They were eliminated in the budget process.

MR. ARMSTRONG: Maybe if you could you could give me the answers in writing that you got to that effect.

CHAIR WEISSER: Well, I didn't get anything in writing, we just had direct conversations with the management of BAR and CARB on it, and our understanding is in this next cycle once again we will be requesting funding for us to have the capability of doing, you know, some independent analysis, additional independent analysis.

We've been fortunate -- I want to emphasize this. We've been fortunate that some of the members of this committee have expertise that's allowed them to do at least some of the things that we would be asking an outside consultant to do, and you'll be hearing more about that in our next discussion item.

I saw one other hand up before we're going to move on. Mr. Peters.

MR. PETERS: Mr. Chairman, I appreciate you allowing me to come back again and make additional comments. Mr. Chairman and committee, you brought up what I perceive to be a very interesting point, and that is and a comment and an evaluation that small reductions are expensive and big reductions are cheap, and that the small reductions are the most difficult to get.

I believe Rocky reported on the issue of data from the Air Resources Board that in the testimony of Mr. Carlisle it was stated that a request for that information would result in the

information going to the committee and to myself within the week, about three months ago.

In my opinion, when a car doesn't pass it has specific things that are wrong. Those things are repaired, the car passes every time. So this, 'I don't know what's going on, gee whiz, these costs and associations and so on,' I believe that data will give appropriate information to the committee to take a look at.

And this evaluating whether or not we're successful by the tailpipe emissions rather than determining whether or not we're actually addressing the fault on the car and repairing it is, I believe, a disservice to the requirement that the committee evaluate program performance and I think that's key issue, in my opinion.

And saying that we don't have the data when it was stated that the data would be available within the week three months ago, those kinds of things seem to go on forever. How many years are we going to wait to try and get some data that specifically addresses the issue we're talking about?

If the fault of the car is determined and repaired the car passes every time, but we keep talking about, 'Oh, gee whiz, we spend all this money, and gee whiz and gee whiz.' If you don't address fixing what's broken you're never going to make an improvement in program performance in my humble opinion, Mr. Chairman and committee.

CHAIR WEISSER: Thank you, Mr. Peters.

Okay. I've got 5 to 11:00. What I'm going to propose is literally really a 10-minute break for us to come back at 5 of. My intention would be to break for lunch around 12:15-ish, come back around 1:00 or 1:15.

Rocky, I understand now that we have to vacate this room no later than 3:30?

MR. CARLISLE: That's correct.

CHAIR WEISSER: So we are going to have to try to be as efficient as we can in getting through. So we'll take a recess, a 10-minute recess now until 5 after 11:00. Thank you.

(Off the record.)

CHAIR WEISSER: As we found, all of us, in the wonderful world of modern electronics there are sometime slips between spoon and lick, and we are experiencing such a slip now with the overhead projector, which isn't your old fashioned overhead projector, it's an electronic one that doesn't actually broadcast through the light beam but it's an electronic communication to this fabulous screen behind us.

Be that as it may, the fourth item of our fourth of our subcommittees manned and womaned by Jeffrey Williams to my right and Jude Lamare, who you'll notice is absent – Jude is taking care of her brother in Southern California today – are dealing with the issue of quantifying emission reductions. And fortunately Jeffrey is with us and he'll give us a rundown of what I think is a gallant effort that he and an associate of his have been making on attempting to wrestle with voluminous

datasets available for us on this part of the program. So with that, Jeffrey.

MEMBER WILLIAMS: Well, that's actually item five.

CHAIR WEISSER: Oops.

MEMBER WILLIAMS: That I've been working on, but there is a huge overlap. Jude has drafted a report on number four. We've had a number of discussions with analysts at BAR and ARB about that. In general, we think the methodology works pretty well, but we have a few questions that mostly concerns how the EMFAC model, if I have the terminology right, treats the reductions from test-and-repair should a car go there and some other issues. But we have a draft report about two pages long that Jude is mainly responsible for so I should give her all the credit.

CHAIR WEISSER: Okay, Jeffrey.

MEMBER WILLIAMS: I'm ready for five now. And it looks like we have it working. Shall I try that?

CHAIR WEISSER: Please. Wow. Take your time on this, Jeffrey. There are many of here who are numerically challenged, so —

MEMBER WILLIAMS: Most of my tables don't have very good labels. I've been working on this a lot.

CHAIR WEISSER: Yeah, I should mention that the way to cope with the problem of people hearing us on our webcast is as best as possible if we could speak directly into the microphones, particularly those with softer voices than mine.

MEMBER WILLIAMS: I think that I'm in that category.

CHAIR WEISSER: Well, with the hand-held mike now Jay Leno has a great fear that five years will be –

MEMBER WILLIAMS: He'll be finished, right?

I have found people at BAR to be very helpful in giving me data. In fact, I have almost too much information. They've presented me with 13 months of all the records from the BAR 97 test. It's a mere 1500 observations or something like that, more than enough to cause my brand new computer to freeze.

I've been able to do some analysis in the last days. I'm generally impressed with how people at BAR have done this analysis. I have no profound comments about, well, they've done it all wrong. Quite the contrary. I think the general approach that they're taking is quite sensible.

I do have a couple of philosophical issues that I think might come out, and it concerns the deep questions about how we categorize certain broad categories that we're always talking about. There's test-only versus test-and-repair is a good example. Are they really the main distinct categories, and I thought to try to get at that with some examples here.

I also think a big issue is the pass rates at the various types of stations, and I'd like to present some evidence about that. This is very preliminary. I have mainly examples taken from some stations in Fresno. I picked that as a place to look at and I'm trying to see whether the categories seem to be the best ones.

I've also tried to select out a particular vehicle that had enough observations that we could study it, and I've

picked more or less at random a 1993 Camry. I have some others to do that I've done some subsets of this giant dataset, but I think there will be enough in there to make us ponder a little bit about what we need to hold constant when we do the analysis.

In general, what I understand from BAR, maybe I'm confused about what they've done, when they compute these pass/fail rate that we see a lot about, they are basically just distinguishing between test-only and test-and-repair, and so if there's an issue about that certain automobiles tend to go to certain stations for some reason, then we may be getting a sample that is not random by the two, and so the pass rates may not really be directly comparable unless we hold some other things constant.

Another implicit assumption in this type of analysis is that the two categories, test-only and test-and-repair, are not themselves very heterogenous, where that all test-and-repair shops are more or less alike. There's obviously going to be a little difference, but it's how similar are they, and so that's why I thought this Fresno data might reveal something. So these are randomly selected shops in Fresno, and those of you who know Fresno can probably tell me that Fresno's not random and I'll agree with that, but it's the characteristics of the stations themselves that I think are important.

The committee has some of these handouts and I'm going to do them in a slightly different order and flip back and forth between them.

Here is a sample of ten test-only stations from the Fresno area from these records covering **thirteen** months, and I've **given** them here by the **particular** station – I doubt anybody would recognize them from their particular BAR code – the number of records **in** each one.

Notice the next column, though, this is the number of machines that **can be reporting**. Each BAR report, the electronic **version** that goes **tells the** machine and also **a** tech ID so we can distinguish the number of techs **working** at **this** particular shop.

And here in the fourth column we've determined that there are, for the first station, four techs over this thirteen-month period and had well over a hundred entries into the BAR system. Most of the stations have two machines, and so forth.

The next column, though, I think is one of the interesting ones **of what I've uncovered**, and it's the number of tests, loosely defined, done by a particular technician. So here technician number one is the most active technician at this particular station, and you'll see that they're all, **with one exception**, in the range of 3-4,000. If you have 250 business days in **a year or something, that means** the typical technician here is doing about 16 tests, one every half-hour.

CHAIR WEISSER: That seems awfully high.

MEMBER WILLIAMS: **Yes, it seems high to me, too, but.** Now, some of these are aborted tests and so forth **which you'll see in a minute.**

CHAIR WEISSER: Okay. Thank you.

MEMBER WILLIAMS: But it looks like there seems to be some uniformity in what's going on in these shops. I want to set this up to contrast it with what's going on in the test-and-repair shops.

I'll also bring your attention to the last two columns which are the median model year and the median number of miles. This is over all automobiles that go to these particular shops and it records the model year and the mileage. And I took the median because we've heard enough about how the outliers affect the mean, and you'll see that there is a general pattern that these shops that are fairly similar, though there's one variation that I imagined. Look at the one about half-way down that has a median mileage of 152,000, and then just two below it is 84,000. It would seem that these shops have a very different clientele, and that's also visible in the model years.

Okay. Now, are these all sort of one category? Probably. Or at least on the standard that we have of the test-and-repair shops, so a very similar thing. Let's see if I can get this focused. We'll leave the median mileage. Actually, we don't need to know the numbers, we just need to know the type that they are, right?

So among these, I guess there are twenty-five if I've counted right, more or less randomly selected test-and-repair shops from Fresno, there are some that are dealers, and that's the first column where there's a '1', that appear to be in the business of mostly, it's a Mazda dealership and so forth. And then there's some Gold Shields.



Look at the number of records that are going on here and we'll see that there's much more variation than there were among the test-only shops. All but one of these shops has only one machine, and most have a variety of technicians in proportion to that machine. Then look at the number of records being handled by a particular technician in these shops, where most are about 4,000 for test-only, we have great variation here. The sixth one down, the one fellow did 6,718, which is a number I almost can't believe. Perhaps there are actually several people using that tech ID, I don't know, but that's something rather interesting about this, right?

So you see that there's much more heterogeneity in this category called test-and-repair than I think we've been led to believe when all we hear about is test-only versus test-and-repair, and particularly different are the dealers, so these are the ones with a '1' in the first column. As you go over, you'll notice that the median model year is quite high and the median miles is quite low. There are a little bit of exceptions but there's this general pattern. I would say this is a fundamentally different category.

CHAIR WEISSER: 'This' meaning what?

MEMBER WILLIAMS: Dealers who happen to have – they're registered as test-and-repair shops, but they're dealers. Okay.

To further that, you can see on your second page, and I'll continue here, is the same shops. I had enough numbers on one overhead and this is the way it continues, it's the same shops, and I want to look at particularly the column in the

middle there that says "New to California." This is in the BAR coding an automobile that is a first time seen in the dataset. Presumably these are out-of-state, most of them are, there seems to be some other ambiguities. And if we look down here we see a large number of new to California and there's a test being done and mostly in the area where they're the dealer so there's a '1' in the first column and there's a lot of of these new California elsewhere, with the biggest numbers, though, being a little bit higher up, and perhaps what's wrong is we haven't categorized those as dealers when they should be.

So, first of all, it looks like there are a lot of new to California tests, and we haven't been hearing about that very much, and it looks to me like that's a fairly big category.

I've made a crude effort at estimating the pass rate, and that's just the number of records minus aborted tests, divided by the number that were reported as passed, and so there will be some double counting if there were a couple of tries before the automobile passed, but we can get a crude estimate of the pass rate here, and if you notice that the ones that are the dealers have fairly high pass rates and other fairly high pass rates are the ones that are doing a lot of new to California. So look at the one, two, three, four, fifth one down where there are 1,243 new to California has a pass rate of 96.58.

I suspect that's a materially different type of shop, especially if you compare them to some of the Gold Shield ones, which are the bottom ones where the pass rates are around 70 percent.

Why does this matter? If there really are two almost separate categories called dealers and the regular test-and-repair business, if we average them together, we seem to get a pass rate that's going to misrepresent what's happening in the regular test-and-repair business, and I would say from what I've understood that the test-only is competing with this non-dealer category in test-and-repair, so at the minimum it looks to me that the tables about pass rates ought to be distinguishing dealers among the test-and-repair, I conclude from this.

Now, this is only Fresno. Maybe something special happened in Fresno, but I'm a little worried.

BAR people have told me they've worried about the — the BAR analysts have told me they've worried about the dealers, and that's how I got the codes for the dealers, but it looks to me like this is a major part of the story here.

CHAIR WEISSER: They were worried about them?

MEMBER WILLIAMS: They know that they're dealers and they think a little bit about, well, we ought to do some analysis separately by dealers. They've gone to the extent of finding the codes for a dealer. It's often not hard since the name of the shop there says So-and-So Chevrolet and so forth, but there may be some others that are effectively used car dealers.

My impression, and I want to emphasize this is an impression, is that lumping this group in with regular test-and-repair is perhaps giving — is not categorizing this finely enough.

CHAIR WEISSER: What would be some of the implications?

MEMBER WILLIAMS: Well, we know for a fact, according to the BAR reported, that over all these records that test-only has a higher failure rate than test-and-repair. That's a very key statistic we've heard.

Well, if it's mostly due to this category called dealers who are dealing with younger cars with lower mileage who ought to pass more, then this fundamental distinction between the pass rates of test-only and test-and-repair may not be as great as we're thinking, and that fault flows through all of the analysis to determine what are the gains from the program, so the quantification of the gains depends on the pass rates ascribed to these two categories.

CHAIR WEISSER: We have a question here for a second?

MEMBER HISSERICH: Jeff, if you dropped out the dealers and just ran the mean of the performance or the failure rate —

MEMBER WILLIAMS: Well, I haven't —

MEMBER HISSERICH: You haven't done that, but it would kind of be a next step, wouldn't it?

MEMBER WILLIAMS: That's the next step.

MEMBER HISSERICH: Yeah.

MEMBER WILLIAMS: And yes, there are a lot of implications, I haven't pursued all of these. I'd like to do this for some other cities, obviously, but I go back to the main thing I was trying to do was to see whether these two categories

were sufficiently homogenous within themselves that we could distinguish them, and I'm now worried.

Test-only looks more homogenous than not. The test-and-repair, and everybody's talking about that and I've never heard a test-and-repair fellow here talk about his dealership, and maybe we're not even hearing about that category, and yet they're in the statistics, as I understand what BAR analysts have done.

CHAIR WEISSER: They're in the statistics, they have a higher pass rate —

MEMBER WILLIAMS: Much higher.

CHAIR WEISSER: — which could affect the overall pass rate —

MEMBER WILLIAMS: Yes.

CHAIR WEISSER: — which could really raise questions associated with the penalties associated with cars going to test-and-repair or Gold Shield vis-a-vis.

MEMBER WILLIAMS: Yes, all of that. And as I understand it, and I may be misrepresenting what BAR analysts have done, and that's not my beef here, is that if we don't control for this we make some mistakes, and it looks like we need to at least try to distinguish the dealers. Maybe there's another one, too. This makes the analysis more complicated and so I understand why their instinct is to just make two categories, but I'm not sure.

CHAIR WEISSER: It would be interesting after you've completed this discussion to hear any reactions that BAR or CARB might have on that today. Please continue.

MEMBER WILLIAMS: Okay. Have I done enough with this category, but maybe only to bring your attention to the final column here, which cannot appear on test-only, and this is in the record whether the technician types, and who knows how accurate any of his typing is, puts in a designation that a repair was done before the test.

Now, if there are only a few of these, it doesn't seem to me it's going to affect the overall pass rates very much, but look, there are a lot of them, and there's a huge number in that very last one which is the big Gold Shield station. And so judging pass rates when you've done repairs before. This is not the repair that came in and was repaired and tested. As I understand, this takes the designation that the technician saw something and fixed it and then did the test.

CHAIR WEISSER: What are the implications of including that in the database comparing the performance of test-only versus test-and-repair?

MEMBER WILLIAMS: Since this can't happen at a test-only, it means that there are probably more passes at test-and-repair because some simple things were fixed, possibly. I don't know that.

CHAIR WEISSER: And that's not a bad thing.

MEMBER WILLIAMS: That's not a bad thing.

CHAIR WEISSER: But it does have implications associated with comparison of the failure rates of test-only versus test-and-repair.

MEMBER WILLIAMS: It does, indeed. And you know, if these numbers were all one or two, then you'd think who cares about that, right? That's such a small percentage we don't need to worry about it. But these are fairly large percentages and they're uneven across the shops, which makes me worry that we're not understanding the pass rate by shop very well.

CHAIR WEISSER: Do you have any intention of attempting to analyze this data just by throwing out those vehicles that were repaired prior to test?

MEMBER WILLIAMS: I've thought of a lot of other ways to analyze it, but I'll go back to another point. There's so much here that one gets overwhelmed and I can see why BAR analysts have just said, well, it probably all averages out in the wash. I'm a little nervous now, but I don't have any solutions.

What makes me concerned is that these aren't the equivalent of the mistakes of typing the number wrong, which I can see a technician doing. There's human behavior here about how the tests are done, when the tests are done, and that seems to me a different category than just pure noise in the data. There's some activity going on, and there seems to be a lot of them, including the new to California type issues and so forth, that's another category and I'm going to show more on that.

CHAIR WEISSER: John?

MEMBER HISSERICH: That last one down there, with that many repaired prior and still a pass rate of **only** 73 really makes it sound like it might have been a much even lower pass rate obviously since they presumably hadn't done that.

MEMBER WILLIAMS: Yeah. **Yes. This is designated Gold Shield and it's doing a lot of business.** I don't know enough about the **shop, but something interesting about that shop.**

CHAIR WEISSER: Mr. Pearman.

MEMBER PEARMAN: **This** new to California category, is that something that's pretty accurate **(inaudible) or was there some linkage between DMV records on why (inaudible)?**

MEMBER WILLIAMS: As I understand it, but I have to believe there's some **misidentification there**, but there's **been** a conscious effort to **link this**. But I think we can talk a little bit more about that in the second thing that I've got, which is the **Toyota Camrys**.

CHAIR WEISSER: If we can just get questions from the panelists before you move on.

Bruce?

MEMBER HOTCHKISS: Yeah, a question on the new to California. Does it mean that it is the first test in California or is it – have you found that they are new to California?

MEMBER WILLIAMS: I don't know. They're designated as the first time this car has ever been tested in California, but it can be **and** there's some examples. **With that designation the car can fail and then go to another place and try again. It's**



in the dataset several times, so it's a car that has not yet passed in California.

MEMBER HOTCHKISS: Okay. My point was that this could be one of the vehicles that was exempt for the first four years and it's its first test, or it was a change of ownership car?

MEMBER WILLIAMS: No, it's not a change of ownership car.

MEMBER HOTCHKISS: Okay.

MEMBER WILLIAMS: This is – that's a different category.

MEMBER HOTCHKISS: But if it was one of the vehicles that was exempt from test for four years, a brand new car, this would be its first test. Would it show up as new to California?

MEMBER WILLIAMS: I understand this code as not that.

MEMBER HOTCHKISS: Okay.

MEMBER WILLIAMS: And most of the entries give an out-of-state license plate or there's a license plate missing, so (inaudible).

CHAIR WEISSER: Could you go back before you move on to the slide that represents the first one in our package that has the model year and median miles?

MEMBER WILLIAMS: For test-and-repair?

CHAIR WEISSER: Yes. I was struck as you were saying it by the variance in the median model year and of course the mileage. Is that explainable by the one station being located in hoity-toity neighborhoods and other stations being located in different demographically –

MEMBER WILLIAMS: I would imagine, and that's the next step in this analysis, but I don't know yet. The way this particular data file works is you know the station and with some other records in BAR something about it like it's in Fresno or whatever, and I just get the raw data. I don't know — I need to link with something about Fresno, obviously.

I've thought of another type of analysis to do with this. Because at test-only, if a car fails it has to go someplace else, right, and to track where they go to the — they may show up at test-and-repair, okay, and it may be that certain test-only have them go mostly to a certain subset of the test-and-repair in Fresno.

Also we'll talk about, I didn't even know about this until recently so I'm hopeful that you don't either, otherwise in that case I'm not paying attention, that there are these pre-tests which are done at test-and-repair and then the car goes to test-only. Well, there's some evidence about the links, the geographic links possibly or the market area among test-only and test-and-repair. I've called it Fresno. Maybe there are two sets or Fresno and a suburb. I think I can use the records themselves to see the natural groupings.

CHAIR WEISSER: Natural groupings meaning?

MEMBER WILLIAMS: Somebody with a car is deciding among these five or six stations, and it seems to me those decisions may have much more in common on the economic demographic line and that if we could group those we might see the median model years and median miles are similar.

But the general point still holds that we would expect pass rates to be very different if the clientele at a particular shop is very different because the median general proposition that older cars are more likely to fail, and cars that have been driven more are more likely to fail, and I think you'll see that in the next thing I have.

CHAIR WEISSER: Okay. Thank you. Please move on.

MEMBER WILLIAMS: From the same dataset I have some records about Toyota Camrys, 1993. Why did I pick this? Because there are quite a few number of records in the whole dataset. I had ambitions to do a Ford Explorer 1993 and a Taurus and all that, but I was up till midnight the last four nights. Anyway, that's for next month.

So it's hard to draw complete inferences from one car because maybe there's something special about it, but I think there's some interesting patterns here and my preliminary look at the data for other vehicles is that we're getting similar things, so let me explain what these numbers are.

Over this period August 2003 to 2004 I've tracked every care that was designated in the dataset as a Toyota Camry and I've checked its VINs, and if the VIN seemed crazy and it wasn't a Toyota Camry it didn't appear here. And there's probably some that should have been in, but when in doubt, I tossed.

I concentrated on ASM tests only, and these are all in the area where there would be test enhanced areas, and I've

excluded the Bay Area because it came on during this, so Fresno is in here among other places, right?

I also excluded any Toyota Camry that appeared in the dataset, failed and I never saw it again. Maybe it left the state. Who knows what happened to it, right? So these are cars where there's a record that ends in a pass. I don't know quite what that did to my sample selection, maybe it distorted things, but there aren't too many of those.

So there were 21,945 Toyota 1993 Camrys meeting these conditions, which is a fairly large number, right? Now, there were 982 new to California, or at least in this designation of new to California, and these aren't cars that have come out of the four-year exemption, this is an old car now, and so I guess they've come into California, and they represent about 4.47 percent of the total number of cars, and that's a fairly big category.

More to my surprise since we haven't heard about it very much was the change of ownership tests. Now, you would imagine an older car might be going through more changes of ownership, but 4,785 of the total sequences on 1993 Toyota Camrys are change of ownerships, and that's a different category.

In the data file are designations that it was a high emitter profile and so directed to test-only, and I've computed that of all these Camrys 9,912 were directed vehicles.

Others show up at a test-only that I'm calling volunteers, volunteers for a biennial test. They are also

volunteers for change of ownership tests and I'll look at the subcategories in a minute. So 2,174 were volunteers, biennial tests done at test-and-repair were 4,092 out of the these. Test-and-repair got a fair amount of the change of ownership in new to California business, too.

I was surprised on this at the importance of change of ownership and new to California tests, and that's another effect of this program that I don't think we've been quantifying very well. It seems to me that it matters a lot in a biennial cycle that change of ownership is automatically giving like an annual test.

CHAIR WEISSER: If the vehicle is subject to change of ownership.

MEMBER WILLIAMS: Yes. So now that we're possibly changing the laws on change of ownership, we're recognizing that there are a lot of such tests. I didn't understand that.

I've looked at the other few vehicles I was concentrating on and change of ownership seems to be a very big component of those.

I also pulled out 1987 Golfs, which I own one and I wanted to see. First of all, there aren't very many of them so it's hard to draw any conclusions about pass rates, but most people seem to be selling them, which means somebody's buying them, too.

MEMBER DECOTA: They can't pass smog.

MEMBER WILLIAMS: Change of ownership for the older vehicles seem to be an increasing percentage, so I take it we

need to understand change of ownership tests a little bit more, and I've tried that with the Camry and I've lumped the new to California and the change of ownerships together.

Okay. Of a general proposition here that how do these people decide whether to go to test-only or test-and-repair for their first try of getting this accreditation. It seems to me that that probably ought to be random, or at least if we're studying pass rates, the implicit model is that that is a random choice by the consumer. And if so, that should show up that the median mileage, which is the last column, and you have to guess that since I didn't put a label on it, that the median mileage ought to be very similar, right?

CHAIR WEISSER: Between test-only and test-and-repair.

MEMBER WILLIAMS: If people are picking at random.

Well, the median mileage for those involving change of ownership tests and the new to California for test-only is 145,939 miles, where the test-and-repair is a little lower. Is that a big difference? I don't know, we only have Camry's here so I'm not sure about that, but it seems to me that that's pretty similar.

Now, to go along further at what's the pass rate, and when I say pass first try, so it shows up passes, right? That number 86.55 is the percent that passed the first try, and the test-and-repair this same group passed 88.65 percent the first time. Is that very different? Not too.

CHAIR WEISSER: Have you done any sort of statistical analysis using the techniques that are available to determine significance?

MEMBER WILLIAMS: I could, but I haven't.

CHAIR WEISSER: Will you be doing that?

MEMBER WILLIAMS: I will be doing that.

CHAIR WEISSER: Great.

MEMBER WILLIAMS: I want to think a little bit more about exactly what is the model here.

CHAIR WEISSER: One moment. Dennis?

MEMBER DECOTA: I think it would be extremely helpful, Jeffrey, if you also found the ratio of aborted tests –

MEMBER WILLIAMS: Yes.

MEMBER DECOTA: – in test-only and test-and-repair, because what I think you're going to find –

MEMBER WILLIAMS: I know where you're going.

MEMBER DECOTA: – is that the consumer is bringing it to their regular repair facility making sure that it will pass at the test-only that's being referred to by the HEP, so I think that that would be a very important –

MEMBER WILLIAMS: No. This is just for change of ownership and new to California. I agree with you. I had first intentions to really study the aborted tests in this as I was doing in the other. I concluded that was going to be so complicated to get done for today, I've knocked them out, so you won't hear about aborted tests, but yes, that's happening and you can see those patterns.

I tried to get a little thing here that I could do and I asked the question, so you fail at this. Do you go back later and try to pass or something?

So I've got - but I was prompted to do it because I found one car in this that came in with out of state and this fellow went to three different test-onlys in a matter of three days and failed at every one. That's encouraging. Then he tried a couple test-and-repair shops, and then there's about a month when nothing happens, then he's back to two other test-and-repair shops, different ones, and finally one of those fixes the car and he agreed to pay for it, and he passes, and then two months later he sold the thing, so I don't know. So he's in the data file several times here, or he's in there twice. It's very strange and there's human behavior, and there were a couple of aborted tests along the way in that too, so that's a different type of ping-pong.

But notice here that people go back to the test-only even when they fail, and in the same percentages that they go back to the same test-and-repair shop where they failed later passes them. The next step in the analysis is did this take twenty minutes to fix it or a week, and I'd like to look at that too. First cut is to see is there anything interesting there, and it looks like it.

I'll bring your attention to one other pattern here on this table which is the difference between the pass first try and fail first try median mileage, and much higher median mileages for those that fail at both places. Okay. That, if



we'd found the opposite, I would have been really worried. It looks good, right, that looks good.

CHAIR WEISSER: Yeah. Is the implication of that then supportive of the recommendation in the BAR/CARB report to consider putting annual tests on older and higher mileage vehicles?

MEMBER WILLIAMS: It sure seems that way to me.

CHAIR WEISSER: Thank you.

MEMBER WILLIAMS: But from this alone to say that there's a huge difference between test-only and test-and-repair isn't so obvious to me, right?

CHAIR WEISSER: No, it's not, and I'm particularly interested in hearing comments from the agencies and from the members of the audience associated with, as you say, very preliminary and fragmentary data.

MEMBER WILLIAMS: And the good and the bad news is that everything that I see in this suggests new questions.

CHAIR WEISSER: But that's good. I mean, but we don't have the resources. You've done an astounding amount of work at great personal expense, including buying computer equipment capable of dealing with these massive amounts of data which I believe the state should be paying him for, and the graduate assistant assigned to this. And what you've identified looked to me to be pretty promising areas for a full blown investigation by the agencies.

MEMBER WILLIAMS: I've spent a lot of time analyzing this, too, and so -

CHAIR WEISSER: You bet, and you have great people working on it, but this is really interesting.

MEMBER WILLIAMS: My final table is visible here. I've looked at the biennial tests for these Toyota Camrys, and as I said, there were 9,912 that were directed, 2,174 volunteers, and then 4,092 that went to test-and-repair, so I guess you can figure out roughly volunteers overall, test-and-repair is 2,000 to 4,000, so 37 percent or so are volunteering to go to test-only, which is a very large number. I don't know why, but just they are. All right.

Before we go into the details again, the first column is the number of these instances, the last column is the median mileage in that category, and the middle column are relevant percents, usually of the main category but the case I was trying to figure out is failed as a gross polluter or tampered as a percent of the failures. Okay?

I want to say right off the bat that these pre-tests at test-and-repair, there are a fair number of them, so then they later go to a test-only. The way that BAR analysts compute the pass/fail rates in both categories is this first test is credited to the type of establishment, so the pre-tests are actually credited to test-and-repair, the pass/fail rate.

CHAIR WEISSER: I want to make sure I understand.

MEMBER WILLIAMS: I'm not sure I understand too, but what I think I understand is that when the statistics we have seen about pass/failure rates are what they call the first test, what I've been calling the first try here, if it's a pre-test,

it's a first try and it's put in the category of test-and-repair and doesn't show up in test-only, so the way you get a first test at test-only is you didn't have a pre-test.

Now, does this matter? If there were only two or three pre-tests, no, but there are 449. Which way it matters I'm not sure, because my suspicion is most of those pre-tests are going to be passes because somebody's done a repair already. I'm not sure, and if I thought about this question I would have discovered how many are pass/failures at the pre-test, but I forgot to do that.

Suppose that there is a differential effect there. It's not clear who really should be credited with that, right? This is very hard to even think through, because if the result is that you're going to have to go to test-only causes you to come to a test-and-repair, you know your car is not doing well and it's fixed.

I think we're likely not understanding the program. Aside from pass rates at the moment, something's happening to the cars that are pre-tested and the program, the Smog Check Program isn't getting credit for that.

CHAIR WEISSER: Um-hmm. That's one of the implications. And in fact, that implication may overwhelm the second implication that comes to mind –

MEMBER WILLIAMS: Yes.

CHAIR WEISSER: – regarding who gets the credit, because, maybe I'm misinterpreting this, but I look at the differential between those going to test-and-repair versus those

going to test-only, and it doesn't stand out to me as remarkably different.

MEMBER WILLIAMS: Okay, I was going to say that next, but let's —

CHAIR WEISSER: Dennis has a question or comment or wants to buy a drink, I'm not sure.

MEMBER DECOTA: I'll wait.

MEMBER WILLIAMS: Let's look at the pass at the first try, pass first try at volunteers at test-only, and at first try at test-and-repair, and they're a little — one's 85.86. I don't know why. One's 89.07, one is 88.06. They don't seem too different to me.

CHAIR WEISSER: No. It's also interesting to me the number of volunteers, and if I'm a business person, that's something that lights a bulb up for me in terms of people who are volunteering to go to test-only, they're doing it because of price or convenience or something like that.

MEMBER WILLIAMS: Possibly. And I had a further expectation that who volunteers? Well, the guy that's pretty sure he's going to pass and all that, right? And 89.07 is a little higher than 88.66, but no, that theory doesn't seem to fit, at least for owners of 1993 Camrys. I thought I'd have a nice little subselection. I don't see that. In fact, it looks to me like these pools are fairly similar, though I'm puzzled why the median mileage for directed vehicles is 145 and I'm racking my brain for what we learned about the HEP, and I thought it was model year but is it mileage?

CHAIR WEISSER: In looking over the report, which I have with me, on the HEP after our conversation last week, it does appear that mileage plays a significant factor.

MEMBER WILLIAMS: Okay. Well, then they're selecting for cars that are more likely to fail on the same category. Well, it's less surprising that there should be a differential.

MEMBER HISSERICH: And you're probably taking the dealer component out of the test-and-repair altogether with that model year car, so that kind of blocks that out.

MEMBER WILLIAMS: Yeah, that's one reason I picked that one. And so I'm left with a little confusion then about how we can distinguish the the pass/failure rates between a biennial test at these two places.

Although there's another very clear pattern, a final one, to point out, who's failing? Ones with the higher mileage, right? Both, these are the medians, but geez, pass first try 135.91 versus 157, and that's true in every — It's not surprising, but if we are selecting in HEP by mileage as well as model year, we have deeply skewed the samples here, and so comparing just the typical pass rate in test-only versus test-and-repair without controlling for the very thing we selected for means that that probably isn't quite the right statistical approach.

So if I could conclude, looking at a little bit of Fresno and Toyota Camrys, I'm left with the impression that this is much more complicated than we already know it is, and part of me is excited about that and then another part of me is quite

discouraged, because drawing the obvious inferences about this program has now gotten harder, and a lot of it is the inherent human behavior.

I conclude in particular that we need to understand the distinction between volunteers a little bit better. If there were only a few of them it wouldn't matter. There are many. And we have to understand these change of ownership a bit, and I guess that all comes back to we need to understand a little better why particular consumers pick the establishment that they do, and that's wrapped up with why they decide to sell the car or something. And that matters because they're coming into the Smog Check Program when they make those decisions.

CHAIR WEISSER: John.

MEMBER HISSERICH: Just very quickly. It seems to me that the mileage differences, I have no idea how the Toyota Camry holds up over time, my impression is it might be pretty good. I bet you could find some makes that would have a much more significant difference in mileage impact.

MEMBER WILLIAMS: I think so, too. I'm sorry I didn't have some of the other ones done, but then again, how many numbers do you want to look at? So this is a proposition to be confirmed, and we have a philosophical issue. Do we do all of them? No. Are a couple of them representative.

And I'll also say that are we interested in the 2000 Honda Accords? Not that much, right, because they're not polluting very much. It's my 1987 Golf and earlier things.

MALE VOICE: We'll take care of that.

MEMBER WILLIAMS: It's relatively well taken care of. It's these older cars we almost don't have enough of a sample, if we really believe each car make is separate, it gets harder to say what's going on among these (inaudible) if that's all it is is test-and-repair because the samples are in effect making it smaller. It gets discouraging.

CHAIR WEISSER: On one hand you may get discouraged, but to me this has been enlightening and actually kind of energizing in terms of identifying not just what we might want to be looking at, but also where the agencies and other parties might be looking.

Dennis?

MEMBER DECOTA: You know, I'm not used to grading reports, but you get an A. I mean, I think this in many ways substantiates the problem within the industry. You look at the Camry total in '93 of almost 22,000 vehicles. It very well could be that many shops are down 80 percent in the test-and-repair business. If you take 45 of them that were directed to test-only, the volunteers of 9 percent, that's 55 percent. I'm sure new to California are test-only almost entirely.

MEMBER WILLIAMS: I could show you the statistics (inaudible).

MEMBER DECOTA: That adds another 5 percent. And then you skew it because you basically don't have any idea of how many of those aborted tests or other tests are counted into the test-and-repair industry, which are already handicapped in the

amount of emissions they can really show, and that pollutes it more, it would drive that number backwards.

I think **that** this member really appreciates the effort that's gone into this as far as putting this down into something that is neutral from the standpoint of review and just hard numbers and that type of thing.

MEMBER WILLIAMS: I don't want to conclude that test-only and test-and-repair are identical, but they're more similar than I think we appreciated in the past.

If we take another step here, it's that how they've been counted (inaudible) because I think (inaudible), but it took a lot of steps to get here, and I don't want to say BAR people haven't thought about this, but (inaudible).

I think that we're probably being a little pessimistic. (Inaudible) emission reduction quantification (inaudible) the program as a whole isn't getting credit.

CHAIR WEISSER: Are there any further questions of the other committee members on this? I don't know how to say this other than in a congratulatory kind of abusive manner, but this is terrific work that you and your assistant have done, and I think has the potential to impact other parts of our investigation. We absolutely need to listen to the caveats. Jeffrey, we do not know if it's representative of the universe. In fact, we —

MEMBER WILLIAMS: **That if the computer** program is really doing what **it's** meant to do. **I did write them, so —**



CHAIR WEISSER: Yeah, so we need to take all this with a grain of salt, but it gives us a better sense of where we need to aim the flashlight as we try to figure out where we're going.

It's 12:00 o'clock now and I think it would be wise for us to take comments now on this presentation prior to going to lunch, so if folks have the patience let's do that.

MEMBER WILLIAMS: Shall I leave this here if someone wants to put them up and specific numbers, or where should I stand?

CHAIR WEISSER: I wouldn't entrust anyone in the audience with your personal slides. I'm joking. Sure, leave them there and why don't you join us back up at the thrown.

We'll start from the back and go forward this time in the interest of equity and we'll start with Mr. Armstrong.

MR. ARMSTRONG: Yes, Larry Armstrong. First off before I get going, I would like to have a copy of those statistics if I could. I've asked the committee to make presenter's things available, and I'd sure like to have that.

CHAIR WEISSER: I'm going to interrupt here. Put the time on hold for a second, if you would Lynn. We are obliged to hand out and have available copies of all of the data or proposals that we're going to vote on, but I just want to make it clear that the law provides that drafts of work in progress and whatnot are not by law necessarily that we have to have them available to the public. I think in this instance the drafter has no problem with that, and I just want to make sure that by providing this to you it doesn't mean that each and every draft

that these subcommittees go through is going to be made publically available, Mr. Armstrong.

MR. ARMSTRONG: Thank you.

CHAIR WEISSER: Please continue and put him back on time.

MR. ARMSTRONG: A few quick things and I'll try to go quick here.

If a station is close to a DMV, it's going to get more new to California than not.

If a car dealer employee failed a few cars as gross polluters, I would expect the management would probably have a little chat with him and tell him to fix the damn car before he failed the car and it creates a whole bunch of expense, so I think you have a very logical reason why the dealers would tend to, even more than anybody else, they would pre-repair a car to before they passed it.

I've said before if you send all of the cars that ought to fail to test-only, I would hope that you would expect that cars would fail at test-only. As a matter of fact, they never did fail at more than half of what the BAR predicted they were going to fail in the beginning. BAR predicted a 75-percent fail rate. Never got above about 30-point-something or other.

I thought one thing that was interesting is, I think Mr. Williams – and I congratulate you, Mr. Williams, you did some great work there. I think you got some numbers that you could legitimately play with there, and if you took the number of vehicles that got pre-tested and I think you could

legitimately subtract those from the failure rate and then match that up with the failure rate at the test-only, I think you'd find out you probably got almost identical numbers.

Which is, by the way, I advised you folks several times is that Tom Wentzel that was the previous consultant to the committee determined that when you use same model year to same model year they found the pass/fail rate was identical between test-only and test-and-repair, so I think, Mr. Williams, I compliment you on proving that through a different means, but you done good.

Just as a comment, the BAR as part of their audit, they are criticizing shops for not entering in repairs, so they must think it's a problem that the shops are not entering in repairs and so the statistics are going to be off by there.

And then a fail and then a pass under the old system used to be treated as a straight pass, so you need to find out how that is treated now.

And Fresno, I had experience in Fresno until my state drove me out of business by taking away my customer base, but I will tell you that there's in Fresno and probably most other cities there's an extreme difference, socio-economic difference. We had one shop in a higher area that had a higher pass rate and one in a lower area that had a higher fail rate, so your question is a good question.

CHAIR WEISSER: Thanks, Larry. Mr. Ward. As he walks up I will say that I think Mr. Williams would be the first

person to say **out of the box** that we haven't proven anything at this juncture. Mr. Ward.

MR. WARD: Thank you, Mr. Chairman, and I want to say thank you to Committee Member Williams, I think he's done a credible job on looking at the '93 Camry. And I think as he's indicated, that's an isolated vehicle that he tracked through the process to give the audience and the members of this committee an idea of what happens, and as it did for him it did the same for me, it raised a lot more questions.

I think that's particularly important from my perspective as a representative of the test-only community, I would like to participate in those questions. If there are going to be additional questions for Mr. Williams' analysis and they're going to be provided by Mr. DeCota – Mr. DeCota represents a different segment of the industry than do I – I would like to ensure that the questions that I think are important relative to explaining the nature of differences between test-only and test-and-repair are also at least considered by the committee, so that would be very important to myself and the organization.

I'd also mention, and I'm not going to get into detail like Mr. Armstrong did for subtleties for why this and if this, then that, but a substantial number of dealer cars are tested by independent Smog Check stations. It's an exception for a dealer to have a dynamometer, I would think, and Dennis would have a better feeling for that than I, but there are a substantial number of dealers out there – and I'm not talking about

necessarily new car dealers – used car dealers that are using independent Smog Check stations for testing.

In addition to that, as Mr. Williams indicated, there is both qualitative and quantitative questions that are raised that in many cases can't be answered. We've done some limited survey work and I can't recall all the details but one of them that stuck out like a sore thumb – I shouldn't say sore thumb, *that's the wrong analogy* – but really stuck out was the number of cars registered to single women that came into test-only, and that raises a whole lot of questions, but we've got some of our own statistics. Further, our association has all this data and is capable of looking at it in a number of different ways as well.

Anyway, I thank you for your time. Thank you.

CHAIR WEISSER: Mr. Ward, if you're suggesting that perhaps issues like why are women coming in large numbers to test-only or how can we explore some of this data, I mean, these are all interesting questions. We had been interested in the beginning of this process, frankly, in doing a rather elaborate survey in a number of areas, and if perhaps you're suggesting that your association would match monies from Dennis's association in order to supply the IMRC with adequate resources to do the study, we could chat, because I think we'd be interested in finding sources of money to support *efforts* such as Mr. Williams *has undertaken*. *That being said, I urge you to get the questions to* give us the sort of things that you'd be interested in exploring.

MR. WARD: Yes, absolutely.

CHAIR WEISSER: And, you know, there's nothing to preclude you writing Jeffrey and saying, hey, here's some things we think you ought to be looking at.

MR. WARD: I just think it's important, Mr. Chairman, the committee to consider some additional questions as it relates to a thoughtful input into that analysis.

CHAIR WEISSER: And I assure you, based upon my work with this committee over this last wonderful year, that there's not a person here, including Dennis, whose mind is not open to new information.

MR. WARD: And not to speak for Dennis on your other point, but I suspect he would embrace my thoughts on this. Our stations all pay substantial amounts of money already to the State of California.

Anyway, thank you, Mr. Chairman.

CHAIR WEISSER: Did you have a comment, Mr. DeCota?

MEMBER DECOTA: Just that, you know, I do beat the drum on a broader basis in test-and-repair than I do in test-only. I am not opposed to test-only. Test-only is a part of the program. I would be happy to represent, Mr. Ward, any question that you may have in any manner at any time, and if I had it in advance, I'd do so.

CHAIR WEISSER: I have a question, and it's not directly related to the kind of work that you did but it's indirectly related and it has to do with an issue or an opportunity that we became aware of several months ago

associated with the implementation of enhanced inspection and maintenance, to try to get a better sense of what the program is producing. Perhaps it's more in relationship to the earlier item number four than number five.

But we had asked BAR and CARB whether or not it was possible to do sort of a before and after analysis of the impacts of enhanced I&M on the Bay Area, and I'd be interested in sometime today if folks from the agencies could let us know where that analysis stands. It seems like you have this once in a lifetime opportunity to get an idea and I sure hope the data won't be lost.

With that, we'll open it up for additional questions and then working from the back forward. Sir.

MR. RICE: Good morning, my name is Bud Rice. A couple quick comments I'd like to make. I've been coming to these things on and off, some of you I've never seen before, a lot of you I have seen a number of times.

I'll say that, Mr. Williams, your report was refreshing to say the least. I mean, when you go back up and you go back to the beginning, there was the comments about conflict of interest between test-and-repair and how they treated their customers and that's why we needed to have a test-only network. There was a 50 percent discount that was applied against the test-and-repair industry. Huge expense for the shops to get the equipment and then to do battle with our neighbors in terms of fighting over the same types of customers that we needed to try to keep our businesses alive. Thirty

percent directed vehicles to the test-only, which I think another analysis could prove to be probably double that number when you get down to it.

And in the end when you go, well, you know, there really isn't that much of a difference between the outcome of both the test-only and the test-and-repair, and I know that there's been changes in the committee, but boy, when you sit back and think about the impact of decisions that you guys have made over the last few years, it has had a tremendous effect on the automotive repair industry. I just wanted to commend you again, Mr. Williams.

CHAIR WEISSER: Thank you, Mr. Rice.

James, you might want to hang around for a second, if you can.

One of the things I wanted to say in response to your comment is it's my understanding that the discount no longer applies.

Randy, you might want to hang around, too.

That, you know, the discount into the SIP of credits for emission reductions, they no longer do that. We need to find out more about that from our friends at ARB and EPA, because I think that's a crucial issue we need to address and I think we will be addressing it.

Regarding the direction of vehicles to test-only and test-and-repair, I think it's important for this committee to get a briefing next month from the agencies as to the implications of the Governor's signing of 2683 on what



constitutes the pool of vehicles in the program and how that might impact the direction of the vehicles. I'm trying to be as clear as I can, because I think the fact that the bill now retains a portion **forevermore** in the program, combined with the exemption of vehicles from the program by 1107 changes the numbers dramatically, and we need to know what's going to happen and what the thinking of the agencies are, **might not be the same.**

So if you could be prepared to give us a rundown of where you stand in your analyses of **the impacts** of these bills on the percentages of directed vehicles, I think it would be very important for us and for the public to understand your thinking.

Thank you. I'm sorry I made you hang around, but I think it's a really important issue from the industry's standpoint and from **regulative** standpoint and from a public standpoint.

Other questions in the audience before lunch?

Mr. Peters.

MR. PETERS: Thank you, Mr. Chairman. Charlie Peters, and we're a coalition of motorists. I wanted to give you a continuing update on my point of order concerning the ability of your webcast to be heard. I did get an additional call and indicated that when the committee is in idle mode and they have music, that that comes through excellent, but many of the people on the committee can't be heard at all.

And so I don't know whether it's appropriate for everybody to be conscious of that and try to speak into their mike and maybe some attention to possibly tweaking a dial somewhere or whatever. If we're going to be providing a webcast, if people out there are saying, gee whiz, somebody on the committee had something to say, I saw his lips moving but I never heard a thing, I don't know whether that's of concern or not but I wanted to update you on at least the report that's coming to me.

CHAIR WEISSER: Thank you very much.

MR. PETERS: Now I will address the issues that are being discussed and say to you that if you had an audit system, all of these things that you don't know, you would know, because you would have a car that was determined what it needed, you'd find out whether it was a pre-test exactly what went out, went down, and you'd actually be able to do an analysis and make actually make some decisions that might have something to do with reality.

So I would say that the questions you're asking are very simple to resolve. A quality audit system that would determine what the car needed, determine what was going on with it before you tested it, and rather than looking at the results of the data, actually having an understanding of what these cars are and looking at the issues that Mr. Williams significantly brought up continuously of behavior of consumers and the shops, those kinds of answers could be answered simply without additional costs, in my opinion, just by doing an audit system

that would take real failed cars and run them through the system and evaluate what is happening, whether what is broken is getting fixed and have a real analysis and an opportunity to significantly enhance the program, and I think that's simple.

MEMBER WILLIAMS: Mr. Peters, I agree there are advantages to audits, but no audit will reveal information about why people choose to go to test-only versus test-and-repair if they don't have to. No audit will give us any insight on those decisions.

I think similarly no audit will give us insight into what happens for a change of ownership test because there's already a human decision about selling the car and so forth. Audits will reveal some things but won't reveal everything, so I'll dispute your general proposition that audits tell everything.

MR. PETERS: If I could respond to that, I would say it kinds of depends on how you went about it, for one, and I will come back with an additional piece of information. I listened to a radio program and they were saying, oh, anybody can get a smog slip anyplace they want on a failed car and this, that and the other thing. And the answers were that you couldn't take a car to a station and get a false pass on the car by trying to pay somebody. You had to get it to an unlicensed station and a technician from there would take it to a technician that he knew in a licensed station. So when those kinds of things in a properly set-up audit system would be exposed and corrected or opportunities to correct them could be

evaluated if in fact somebody was empowered to go out and analyze and look at what's really going on in the marketplace.

CHAIR WEISSER: Thank you, Mr. Peters.

Ladies and gentlemen, it is 12:22, and what I propose is do you want to take 45 minutes instead of an hour? Let's get started at 1:15 for the afternoon session. So with that, we'll adjourn the morning session.

**(Noon Recess)**

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### AFTERNOON SESSION

CHAIR WEISSER: Okay. The meeting will reconvene. Hope everyone enjoyed a brief but satisfying lunch.

Gee, I notice a dearth of people representing the agencies, and I'm concerned since the purpose of this is to also gather public feedback for BAR and CARB for their report. Do we have a BAR representative here? Yes. Do we have anyone from CARB? Okay, so nobody here from CARB, so you're going to have to serve double duty to report public comments, not just on what the committee may say in terms of our review, but general comments on areas that we're not covering in the report.

We'll now move to item number six, which is a committee formed of Gideon Kracov and Tyrone Buckley.

Tyrone, dare I ask you to give a report on something that I know from our conversation last week Gideon has been taking the lead on. If you would like to say anything, please.

MEMBER BUCKLEY: I have nothing to say about it, I haven't spoken to him about it yet.

CHAIR WEISSER: Okay. Well, let me then go through the notes that Tyrone has put together and kind of just spell them out so the audience can hear the thinking. It's in your attachment item number six.

Tyrone [sic] is looking into the issue of what's the best measure of Smog Check Program avoidance, and he fundamentally thinks that this is an issue deeply linked with vehicle registration. In trying to figure out how serious a problem unregistered vehicles play, his initial findings are

that the data varies. Although it varies, even a small percentage of program avoidance is a lot of cars, but that chronic unregistered vehicles do not appear to be a high percentage of the on-road fleet. Older model years tend to have a higher percentage of unregistered vehicles, but chronic unregistered vehicles are not necessarily those that fail Smog Check, which is pretty interesting. Let me give you some numbers: 3.38 percent statewide average of vehicles that aren't registered; 2.4 percent of those are short-term; and a mere .03 percent of these are chronic unregistered vehicles.

7.4 percent statewide average was reported in a CARB/DMV study that was held in 2000. There was an analysis done in 1999 that put the figure somewhere between 8.5 and 11.7 percent, and in a '91 field survey that number looked like about 7.8 percent. An awful lot of those vehicles, from the conversation that we had with Gideon, it sounded like those were vehicles that were in the process of being registered and the records were in the mail and that sort of thing.

He has been exploring a few solutions to the issue of program avoidance and some of the things that he's looking at is increasing the penalties for failure to provide Smog Check with registration for chronic unregistered vehicles. Right now the penalty ranges from \$10 and 10 percent of the vehicle license fee for one to ten days late up to \$100 and 160 percent of the VLF for more than two years late.

Ensuring that registrations are not issued where no smog certificate has been provided. Currently, the DMV allows

payment of registration fees even if the Smog Check is not provided. The question is how are such vehicles tracked for registration issuance ultimately.

He indicates enforcement can be stiffer for chronic unregistered vehicles and for unregistered vehicles that fail smog. CHP estimates 190,000 citations for unregistered vehicles took place in 2003, and the penalty is an infraction with a promise to correct. Ultimately the DMV can **revoke a license if a vehicle is not registered, if the** registration fees aren't paid.

Some sort of targeted follow-up on delinquent registrations. The collections for **delinquent** unregistered vehicles go from DMV to the Franchise Tax Board. The FTB estimates 20 percent of those end up as uncollected delinquencies.

An idea that he kicked around with me was the notion of conducting some sort of an amnesty campaign for delinquent registrations. We've noted in other areas of state licensing that amnesty campaigns, not just licensing but also income taxes and that sort of thing, amnesty **campaigns** can have a salutary impact on a situation and perhaps that might be in order.

Offering vehicle scrappage, accelerated vehicle retirement for unregistered vehicles might be something that we should consider. And that's about it in terms of the comments that he shared with us to **date**.

Any comments from members of the committee?

MEMBER HOTCHKISS: On the issuing registrations when the smog certificate isn't issued, I don't know that DMV actually issues the registration, but if you pay the fees before it goes delinquent, you save yourself a delinquent fee.

CHAIR WEISSER: Yeah. That was my experience, because a couple years ago I didn't realize my smog certificate was needed and I sent my registration and they sent me back a very polite letter saying, 'Dear Idiot, you didn't get your Smog Check.' So I went and got a Smog Check.

Any other questions or comments? Mr. Pearman.

MEMBER PEARMAN: Yes. **Jeff**, do we know — you say older models tend to have **a higher percentage of** unregistered vehicles. Do we have any number what the percentage is so we can get some sense of **if we even** average **the** numbers of unregistered vehicles and what sort of emissions we might be losing?

**MEMBER WILLIAMS**: I don't have any data yet. That's certainly something we can request. I think the issue was it was such a small number, but I will have to investigate and see how we can track and see what the emission reductions are or would be if we had those vehicles in the program.

CHAIR WEISSER: **I think that it would be a good number to get, Rocky, and one that should not be that difficult to get. I'd like to find that out, too. Good question.**

**Anything else on this one? Rocky, is there anything you might want to add that I haven't picked up from our discussion with Gideon?**



MR. CARLISLE: Yes, this essentially was notes created by Gideon and we got it late last night. Some – you know, it's not complete yet but these are the ideas that he wanted to expound upon in the report.

CHAIR WEISSER: Gideon has indicated he apologizes he is unable to make it. He'd been set to come up here but personal reasons required him to stay in Los Angeles. He will be at the next meeting, he will presumably come up with a draft report that we'll be able to circulate prior to the meeting with Rocky's ever present help.

Item number seven, evaluate the accuracy of the high emitter profile. We talked about that at the last meeting and we, as you know, decided we're going to put that off until 2005.

Rocky, you want to describe why?

MR. CARLISLE: I think there's a lot of issues with the high emitter profile and some of it looks like Jeffrey's pursuing in the analysis that he's doing, and since we only have a short timeframe and, you know, it's almost impossible to complete that analysis at this late date.

CHAIR WEISSER: Number eight, consumer information requirements, is something that Jude Lamare and Tyrone are working on.

Once again, Tyrone, I'll give you an opportunity to say something before I report on the conversations I've had with Jude on that.

MEMBER BUCKLEY: Sure. I've actually only gone to one meeting on this particular topic, and I've had a chance to look

over the survey that the contractor consultant put together. I was going to defer to Rocky on it because he probably has a better idea of exactly what's going on.

I know that we looked at the survey, took a look at the questions and saw if they were getting that exact information we're trying to gather, made a couple of adjustments. One in particular I remember was relating to the low income questions and how to get people to give information on their income status without being offensive or doing something to slow them down from giving that information.

CHAIR WEISSER: Well, I think Rocky will go into this a bit more but not a lot more detail. Bottom line for committee members is that this very, very important aspect of our review has hit some roadblocks and the survey has frankly been delayed, and only through hard and determined work from Rocky and, I might add, some intervention that I stimulated from Cal/EPA, have we been able to shake loose the survey contract so that the contract has been awarded.

Rocky, what would you like to add?

MR. CARLISLE: Essentially, this should have been a relatively simple survey. The process of getting the contract executed was relatively simple. It was after the fact that we realized that the word 'BAR' had been included on the contract, which all of a sudden made it BAR's contract. As such, they get to dictate what questions are asked and to whom they're asked and that type of thing.

We got agreement that it is an IMRC contract, finally. We've got legal's okay on the questions with the provision that we modify the demographics. You'll notice there's no gender requested nor is there any ethnicity requested on the survey. That was a very sensitive issue with government in general.

The only thing we could do with regard to income was break it down into three categories, whether it's below \$25,000, above 25 but below 50, and finally above \$50,000 a year.

And so now our challenge is getting the data, because I had to apply for a requestor code and a security agreement with the Department of Motor Vehicles, so now IMRC has their own security agreement, we can get the information ourselves.

I'm going to be discussing with Jeffrey Williams the VINs that we want to get from the information you have in your database, and then hopefully we'll be able to match that with the DMV database, but the challenge is not done with because there are some issues as to what we use for a gateway and some other technical issues with regard to accessing the DMV database.

CHAIR WEISSER: I guess I want to make clear that part of the purpose of the investigation that Jude and Tyrone are doing is to determine whether or not the program is being effectively communicated to people of color and people in low income communities, and yet the concern of the agency involved related to your ability to ask those questions in the survey, their fear being, I guess I'd characterize it as when you ask them the ethnicity issues they may be feeling exposed toward

maybe they have an immigration issue or something like that and they get very sensitive about it.

It's often difficult to deal with a social justice issue and environmental justice issue if you don't have data, so we're kind of caught in a Catch 22. Rocky was able to finesse a workable interim solution that will rely upon the survey takers to guess the sex of the person, so you might have about a 90 percent chance except in the Bay Area to guess ethnicity off of names, which I think is far more iffy. My belief is we're going to come right back to this fundamental question of needing that data to find that the program is in fact serving people in these groups.

One of the other things that Jude pointed out to us in our conversation was she was doing a brief analysis of the availability of Gold Shield stations to different communities, and one of the things that she's found, *at least at* a very large level, is in Los Angeles County there seems to be proportionately far fewer Gold Shield stations available per capita than other areas of the state. Los Angeles County *is a big county and* you'd probably need to narrow that down to zip codes or census tract in order to really figure out if it's an economic issue or some other kind of issue that we would address.

Anything you'd like to add, Tyrone, of your thoughts associated with how this could be pursued?

MEMBER BUCKLEY: As far as the gender and race issues, I'm not sure *what to do* about that. I'm guessing it sounds *a*

little tedious – not tedious, but sounds a little sketchy just because I've worked on other projects where we've tried to do outreach to people of color communities, and there usually is that approach of going by name with the Hispanic community, but with African American community there might be a distinct difficulty with doing it that way.

Now, my understanding from discussions that I've taken part in was the decision that we came to on the lower income portion of it, though, seemed relatively satisfying to get the information we were looking for by doing the over and under approach, so I think we've gotten somewhere on that but we still need to tackle the other part of it, if it's possible.

CHAIR WEISSER: Good. I think this is an important issue. I guess I'm tempering my expectations and adjusting them downwards that the best we may be able to do is get some indicators that will open up opportunities for more in-depth pursuit of this information.

I've had contacts with the Cal/EPA environmental justice program coordinator, she's the assistant secretary of Cal/EPA and she's quite interested in this issue and was helpful in motivating the department to come up with at least a partial solution, but it's one that I think we're going to want to pursue. That's a message that the BAR people should take back.

Number nine, clean screen fifth and sixth model year vehicles, Vic Weisser and Dennis DeCota.

Dennis, would you like to give us a report?

MEMBER DECOTA: Well, I'll take a shot at it. Meeting with Vic and Rocky on this issue, we really feel that there is an opportunity through the clean screen program to pick up offending vehicles that may be six years and newer into the testing regimen. Basically, we need to protect consumers who have invested highly in the automation of their vehicle to be OBD II compliant and so on and so forth, but we don't have a check and balance system since the recent legislation exempts vehicles.

Clean screening could be a very effective way of overall viewing fleet compliance. There are many vehicles that we have found that would exceed the manufacturer's recommended warranty period in that period of time, which is of great concern to the subcommittee as it relates to consumer protection and also emission inventory.

So why don't you embellish on that, Mr. Weisser?

CHAIR WEISSER: I think the issue here is, to me, is can you use remote sensing as a way to ameliorate the negative impacts of the extension of the exemption to the fifth and sixth year by rather than perhaps just clean screening but also doing a high polluting vehicle identification program.

MEMBER DECOTA: And mandated call-in.

CHAIR WEISSER: And mandate that people who go through two or three swipes through remote sensing get directed to go to a Smog Check station for an assessment of their emission profile. As simple as that. We'll get to questions in a minute.

So, Dennis, as the lead person on this two-member committee, how are you going to proceed in terms of exploring that issue?

MEMBER DECOTA: Well, staff is working on putting together some very interesting information as to the failure rates in those year vehicles which I think will demonstrate to the committee that there needs to be protection in this area as it relates to warranty repairs and change of ownership issues and other issues, and that clean screening could be a very, very good method of detecting such offenders. So I think once we get our report ready that it will strongly recommend that we employ this type of technology in order to reduce emissions and protect consumers against tampered and modified type vehicles on the change of ownership, which could be very, very expensive to the purchasing consumer where there was protection, there is none today.

CHAIR WEISSER: Well, let's hang on to number thirteen, which is the change of ownership issue, until then. But the notion that we are pursuing here is to deal with not change of ownership but the newer vehicles.

MEMBER DECOTA: Right.

CHAIR WEISSER: How do you use remote sensing as a good way of identifying clean vehicles and excusing them from the program, and identifying dirty vehicles and getting them directed where otherwise they might be able to run around for a year or two without getting repaired?

Number ten, is a recommendation in the BAR report for inspections of older model year vehicles, more frequent inspections, and Robert Pearman and John are responsible for that.

Gentlemen, could you bring us up to date? You've put some good information in this draft. John?

MEMBER HISSERICH: Sure. I'll take the start here. Yes, fundamentally we do agree with the idea, and when we talk about older cars we're talking about 15 years and older. There are pretty good data in the report that suggest you could get pretty substantial reductions of emissions through that. There's some estimates of approximately fifteen tons per day, which sounds pretty good. We think that's probably pretty accurate.

The biggest caveat or concern that we have about that whole thing is that almost by definition most of the people who are going to be effected by this requirement of annual inspections rather than biennial inspections are folks of lesser means with older cars that are going to have difficulty both affording the test and getting their cars in shape to pass. We don't have all the solutions to that.

There was some suggestion that the additional eight-and-a-quarter certificate fee for the annual inspections could all be directed to the CAP program, which would generate, based on certain estimates, maybe as much as \$18 million, maybe more, which would probably pay for the repair on average of 58,000 to 60,000 cars a year, which is clearly not going to be all the



folks that are in that category, but a fairly good number of the folks in that category. And there was some suggestion that those folks could be directed to maybe the Gold Shield stations to try to eliminate the ping-ponging and the multiple attempts to test and get them fixed and back and forth and reduce that.

We **could** take a good look at the eligibility requirements, **that** we really **do** focus in and get the assistance to the folks that are clearly in the most difficult situation.

There was some talk about lowering the fees, but of course that cuts into the CAP dollars available so it sort of both directions. An eight-and-a-quarter component of that I don't think would be enough to change it and **I think** we need to generate the funds.

For those in the collector car area whose cars are older than fifteen but presumably less than thirty, or less than 1976 vehicles under current circumstances, if they could demonstrate conclusively that their vehicles are in excellent condition and low emitters, they might be able to revert to a less frequent cycle of inspection than annually.

But we don't want people gaming the system **and** there might be some folks that do that. I mean, we hear stories of folks that change the engines of the cars, go in for the test and then go back to the other one and so on, so I think we'd want to be careful about that, but that's one consideration to deal with the issues of the collector car folks.

The other aspect on this is that we're not quite sure yet because the cars '96 and newer, the **OBD II** vehicles, may not

be deteriorate at the same rate, so over time this may require some reassessment to see if we still have the same requirements and still the same level of benefit and so on, but obviously that's a few years down the road but something that needs to be watched.

I don't know if there's anything Mr. Pearman wants to add to that.

MEMBER PEARMAN: Just two things so far. One is this recommendation of the agency does require a lot of thought and adjustment based on other parts of the program. For example, with the high emitter profile, do you all of a sudden throw all these older cars in the same mix, in which case then presumably a lot of them would be directed, which exacerbates both the cost problem and the political problem if now annually they're going to test-only first where they may be likely to fail and have to go to test-and-repair again. So the recommendation of BAR and ARB didn't really discuss how they see these things fitting together, much less how they see the CAP program tying into this annual inspection, they really need to focus on that.

And then the other thing that AB2683 does kind of create in certain circumstances a collector car mechanism, and so maybe we'll be able to learn how that operates and see if that fits in with the protections we want in this case, as well.

MEMBER HISSERICH: Okay. I could segue into the high mileage vehicles if you want me to since it's item eleven.

CHAIR WEISSER: Sure.

MEMBER HISSERICH: Fundamentally we agree with that as well. We do agree with the idea of annual inspections of high mileage vehicles and I gained some new insight as to what constitutes a high mileage vehicle last night when I asked a cab driver how many miles he puts on his vehicle and he said he puts on an average 6,000 miles a month, 72,000 a year, and he says I have no problem with that. So you pretty quickly get to the threshold of what's characterized as high mileage. Based on the very preliminary data that Jeff Williams presented, there seems to be some validation of the idea that the higher mileage vehicles are likely to have more difficulties, I guess you could say.

To some degree, of course, this relates as well to the older vehicles and some of the same issues come in; however, I think the bulk of the high mileage vehicles we're talking about are fleet vehicles, cabs being one. Many of those operate virtually 24/7 or certainly 12/7 or something along those lines.

Public fleets of things like police cars and so on are a little harder to trace, so Rocky and I have talked about that and we realize that there's a substantial number of things like police vehicles that do tend to be newer but they do operate high mileage and they sit and idle a lot while they do whatever it is they do, and so I think that's an area that needs to be explored further. I'm sure we could get a pretty good handle on the number of those vehicles, and Rocky may want to expand a bit on the difficulties of how to enforce that and so on with those high mileage vehicles, and we'll get to that in a minute.

And the cabs surprisingly are harder to identify in the state population of vehicles than one might expect just on a cursory look at it, but I think that it is worth pursuing as to how we might identify vehicles like cabs that are high mileage vehicles.

The third category that you might characterize as high mileage vehicles is just basically those individuals who drive 200 miles a day to and from work, and I have no idea how we – well, I shouldn't have no idea. I think we could identify those vehicles at some juncture when they get their smog inspection **if** the car's a year old and it's got 60,000 miles on it, that might indicate that's a high mileage vehicle. I think it warrants taking a look at that.

So those are some points. Bob may want to add to that.

CHAIR WEISSER: Anything you want to add, Bob?

MEMBER PEARMAN: Well, besides what Rocky might add, the **other** thing that the ARB recommendation **didn't** deal with is how you effectuate it. I mean, do you make the fleet vehicles go to existing stations or do you have **some circumstance where they can sort of** self test or bring a machine there **and therefore in a convenient place have the one ownership** test them all? I mean, **there's a lot of things that** the nuances of how the program might work that aren't **really identified** at all **until** we get a handle on how we can identify the numbers **it probably doesn't make a whole lot of sense to focus on them yet,**

but it really is an incomplete recommendation, I think, of the agencies at this point in time.

CHAIR WEISSER: Bruce.

MEMBER HOTCHKISS: I think one of the problems is in the private fleets like cabs and things is that there are a number of them that test their own vehicles. They have test-and-repair licenses and they are very hard to enforce because they're not generally open to the public and it's not a commercial establishment as such that –

I know years ago the San Francisco Airport Police before they were merged into the San Francisco Police used to test cabs at random that came to the airport, and frequently the results they got were in direct opposition to what the cab companies were reporting.

MEMBER HISSERICH: If I may just add, I think the cabs are actually in private ownership of the driver who then has some contractual relationship with an organization that dispatches and so on, and so how you get into that mess could be somewhat tricky too for some of the reasons you've stated.

CHAIR WEISSER: The potential verification issues associated with self-testing essentially, I'm wondering whether that's another potential opportunity to use RSD as a way to check out what's going on. But let me make sure I understand.

You guys are supportive conceptually of the recommendations in the report. You have identified some questions that you believe need answers before you can go into program implementation. Even in fact before you can go into

program change, legislation or policy changes that would be necessary. You're going to identify what those questions are and come up with some potential ways to resolve the questions that you're raising. But the bottom line is I'm hearing this subcommittee will be recommending to the full committee a fairly important change in program structure.

MEMBER HISSERICH: I think that's a fair summary of where we are, yeah. And we didn't want to phrase this all as questions, but I think the suggestion sort of brings those questions to the fore and how to implement it.

CHAIR WEISSER: Any questions from members of the committee on these recommendations? Or they're not recommendations yet, but the status report on these at this point?

I will say that the nature of the recommendations from BAR and CARB as I've read them and the discussions that you guys have had and I've had with you on this leads me to **believe strongly that there's a good basis to move forward with refinement of this into a** new program design that would provide for annual inspections of older vehicles and higher mileage vehicles.

I would emphasize the need to ensure in a very, very direct fashion the availability of an adequate funding source to ensure that the consumer assistance program can deal with the potential impacts on lower income **community members**. This program will not stand a chance of breathing political life

without that sort of a strong commitment to help lower income people cope with the impacts of this program.

Are there any other comments from members of the committee? What I'd like to do now, then, is to ask for this group of items on the agenda if there are any comments from members of the audience. And once again we'll start from the back and move forward. This time we'll start with Mr. Ward.

MR. WARD: Thank you, Mr. Chairman and members of the committee. One of the things that troubles me when I hear periodically and from a historical perspective it troubles those that have been around the program is the issue of ping-pong.

Ping-pong is not a vehicle that fails at test-only and then is repaired. It's a vehicle that fails at a test-only and then is not adequately repaired and then fails again at the test-only, okay, so I would ask that that be appropriately reflected and understood that ping-pong is not considered that issue of a fail at a test-only and the repair was not considered an issue of major proportion of this program.

Further, one of the aspects of this program that it's important to remember from a historical perspective, that was embraced by all, even recognizing this program was going to be more expensive and be somewhat more complicated and less consumer friendly than the previous program, is that those who had the least ability to pay that were directed to test-only had one guarantee, and that guarantee was they were going to get a fair test, no one was going to try to sell them anything. The car would either fail or pass on its merits. That was embraced

by a whole group of audiences, and this goes back to the mid-nineties.

Another thing that runs across a number of issues that may be important to the committee is, I didn't know this until fairly recently – and Rocky, you may have some knowledge of it – the ARB has a mobile emissions testing program, and they do work at the port and they test light duty trucks, and we're talking gasoline and not diesel. And I don't know, you know, what the universe is of the vehicles they're looking for and testing, but it certainly would be, at least in terms of information I think this committee would find educational, and I don't recall it ever being discussed by the board in front of this committee. Thank you.

CHAIR WEISSER: Thank you. Mr. Armstrong.

MR. ARMSTRONG: Yes, my name is Larry Armstrong. I believe that you did not take public comment all the way back to item number five that was talking about –

CHAIR WEISSER: Please, address whatever issues you want, Larry.

MR. ARMSTRONG: I think Mr. Williams in his very nice report may have **inadvertently** come up with a number that I have been unable to get from the Bureau of Automotive Repair, having asked for lots of help and never been able to get answers, but if you look on the 1993 Camry that Mr. Williams had down there, he was showing 9,912 vehicles directed to test-only, and then there's two other groups that weren't. The volunteers were directed but they were not directed to test-only, and the ones



that got biennial tests, and if you look at those numbers, it starts to point up what I've been trying to talk to you folks about for a long time, because there was 9,912 directed vehicles and less than 6400 that weren't in that vehicle category, so there are one hell of a lot of vehicles being directed to test-only right now that nobody seems to be willing to let that answer out of the box. As a citizen I certainly want it, and if you folks are going to do your job I think you have to have it, and you need those numbers.

The testing of vehicles, I suggested a long time ago that you do three, five, seven and annual on testing. A fifteen-year-old vehicle that's waiting a long time to get out there and you've missed a lot of opportunities.

The avoidance issue is a whole lot more complex than just the people that get requested to get a Smog Check and don't. How many people don't get requested to get a Smog Check that should, you didn't seem to address that at all.

Consumer information, I would be very leery. I recall seeing a - it was in Fremont at the Sequoia Automotive Institute, saw a movie that the Bureau of Automotive Repair had produced under two chiefs ago and he said to the folks in the audience, 'I want to show you what your customers think about your Smog Check Program.' What they failed to point out was that the people that they interviewed in there were people that had filed a complaint, and so they didn't have any kind of a concept about what anything thought about a Smog Check Program and what they had was people that filed complaints. And the

Bureau of Automotive Repair, I think they use the term 'customer from hell' is what they use every once in awhile for the unreasonable person out there.

CHAIR WEISSER: Thank you, Larry. Chris.

MR. ERVINE: Chris Ervine from STARS. I have a real problem with the term 'clean screening.' Clean screening just leaves all kinds of bad ideas out there.

Number one is there's not a clean screen program out there that can determine evap leaks. My understanding is that evap leaks are a big portion of our hydrocarbon problem, and that's why Bureau of Automotive Repair is wanting us to spend a large number of dollars here in the near future for evap testing. So clean screening I don't believe is really any kind of a valid option. It also can't determine if there's any missing, modified or disconnected items on that vehicle.

I do believe that remote sensing is very valuable in spotting vehicles that are high emitters and that are out of the cycle, and it has a great value in that and then those vehicles can be directed to be tested and repaired.

As far as the information available to owners of failed vehicles for Smog Check, on our smog report there's a little line down there that says something about the CAP program, but almost without exception every customer that I have come into my shop that comes in to have their car repaired after they've been to a test-only station has absolutely no idea what the CAP program is and has no idea that the state is willing to pay \$500 to repair your car.

It needs to be mandatory that these test-only stations out there inform the customer that they are eligible for the CAP program, and then that will get a lot of information to all people regardless of your income or your ethnic origin.

On determining high mileage vehicles, I don't know how you're going to determine what a high mileage vehicle is when that vehicle isn't tested for six years. You could always, you know, ask the person on their DMV registration is your car a high mileage vehicle, because if it is we're going to make you get a smog test, and I'm sure that they'd be more than willing to provide that information. Otherwise, I don't know how you're going to determine what a high mileage vehicle is in the private world other than figuring out who the commuters are. Thank you.

CHAIR WEISSER: Thank you, Chris.

Okay. The next item on our list of subcommittees is item number twelve. This is an item that Bruce and Gideon have been working on.

Bruce, you want to give us a very brief report on the scope of this one?

MEMBER HOTCHKISS: Okay. And I did provide this to Gideon and I'm not sure if he got anything additional back to Rocky. Essentially, we looked at two things, the off-cycle smoking vehicle and excessive smoke during the test.

We surveyed a number of people who, to my way of thinking, were a little bit negative about the possibilities of it, of doing the test, told me how difficult it was. And then I went through the State of Nevada's DMV website and looked at

whether they have a test for smoking vehicles, and their procedure is very simple and right to the point. It says, "Any visible smoke from tailpipe or crankcase of a motor vehicle during the emissions test will cause a failure," period.

CHAIR WEISSER: That sounds so simple as to be wrong. It can't be that simple, can it?

MEMBER HOTCHKISS: Well, I kind of think it probably could be, and my conclusion was that this wouldn't be a very expensive addition to the smog inspection. The technician simply answers a yes or no question at the end of it, Was there excessive smoke? Yes or no. If there is, the vehicle fails.

I did make the recommendation that if there was a dispute, the vehicle could go to the state referee for verification. Vehicles are sent to the referee now for excessive noise and they make the determination on that, so I see no reason why the referee couldn't be the arbitrator of smoke.

CHAIR WEISSER: Thank you.

MEMBER HOTCHKISS: And as far as as picking them out off-cycle, that is perhaps more difficult because we'd have to depend on the police to do it and the police are generally busy doing a whole lot of other things that are more serious.

CHAIR WEISSER: Mr. Carlisle, you have a comment?

MR. CARLISLE: Yeah. One of the things we did in support of this, I contacted CHP and they responded, and I believe they cited 1400 vehicles in 2003 for 27153 of the California Vehicle Code. And one of the reasons the citation

rate is so low is because this is a continuous smoke, it's not simply on acceleration, it has to continue for a period of time, and the resolution is they have to go get it fixed and then bring it back to a CHP office or a CHP officer and have it cleared, so it's kind of a fix-it ticket.

CHAIR WEISSER: Mr. Pearman?

MEMBER PEARMAN: I just want to make it clear that the recommendation that the subcommittee is looking at to change from the excessive smoke standard that's in the current statute in a sense to have no visible smoke as in the Nevada statute?

MEMBER HOTCHKISS: That would be correct, yes.

CHAIR WEISSER: What's the recommendation in the BAR/CARB report again?

MEMBER HOTCHKISS: Off hand I don't remember the exact recommendation and don't have it in front of me.

MR. PENSON: Andy Penson with ARB. We did make a recommendation in the report that the Legislature consider making this change. This is a change that would require a change in state law, but we recommended a change be done to add this test for smoke to the Smog Check.

CHAIR WEISSER: And the test for smoke would be, gee, if I see smoke then it fails or is it an opacity test with an opacity rating?

MR. PENSON: We actually left that open, and we internally had discussions as to which way it should be but –

CHAIR WEISSER: What's your recommendation?

MR. PENSON: We decided to leave it open. Obviously –

CHAIR WEISSER: Do you have the recommendation now?

MR. PENSON: No. Obviously, one would be more expensive than the other and that's something that would need to be factored in.

CHAIR WEISSER: Thank you. Any other questions from committee members on this one? We're going to through a couple, Charlie, and then we'll come back for questions.

Item number thirteen. The BAR report talks about a deletion and change of ownership inspection for two or newer model years, and as we know, I think it's AB1107 now has made that a four-year exemption, but I think there's someone who wants to speak from an agency on a different matter.

MR. AMLIN: I'm sorry for the late response here. On the smoking vehicles –

CHAIR WEISSER: Could you identify yourself, please?

MR. AMLIN: David Amlin, Bureau of Automotive Repair. On the smoking vehicle, I think what Bruce suggested should be something simple and should be something like a gasoline-powered vehicle shouldn't smoke, and so if smoke exists, that would be the cause for failure. Opacity, I think, is pretty tough to go on. Cars aren't supposed to smoke at all.

CHAIR WEISSER: Thank you for your clarity, David.

MR. AMLIN: Okay.

CHAIR WEISSER: Change of ownership. So, as I understand it now, we've extended through the signing into law of 1107 the recommendation that BAR/CARB had put in their report to, how many years, Dennis?

MEMBER DECOTA: Basically, six.

CHAIR WEISSER: Six years, and the question –

MEMBER DECOTA: I think Rocky has something.

CHAIR WEISSER: Oh, okay.

MR. CARLISLE: Just that that was originally two years for change of ownership exemption.

CHAIR WEISSER: Right, in the BAR/CARB report.

MR. CARLISLE: Correct. But 1107 took it to four. It's four years for change of ownership.

CHAIR WEISSER: Right. Fifth and sixth years would have to get the change of ownership.

MR. CARLISLE: Right.

CHAIR WEISSER: And the issue here, of course, is two-fold. First, the issues associated with potential loss of emission reductions by not having those cars go in and be tested. And secondly, the issue that Dennis has raised so eloquently with me is the issue associated with kind of the protection of the consumer.

And Dennis, perhaps you could run us through some of the scenarios that you're worried about.

MEMBER DECOTA: Well, I don't think that the intention in 1107 of creating more pollution was its goal, and I will state that up front. But I do believe that 1107 creates a dire conflict as it relates to consumers and protection of consumers that are purchasing vehicles.

You can simply clear the monitoring codes on a late model OBD II car by removing the battery cable and replacing it.

We have continuous monitors and non-continuous monitors in that OBD II system. You could very easily circumvent the car's memory in this computer, like I said, by disconnecting the power to the computer. This creates a situation where the car could be sold with either missing, modified or extremely poor emission levels to an unsuspecting consumer.

I believe it also will create an enhanced degree of pollution over that period of time because the change of ownership did protect the purchaser, the buyer, and that was one of the main guidelines of it. Although it was never looked at in the form of emission inventories, I don't think, but I think in reality, and staff has gone into kind of an exhaustive review of vehicle years '99 to 2002 and what this could mean in negative emissions.

I strongly hope that it will be the subcommittee's and I think it will be the subcommittee's agreement with this that SB 1107 be looked at carefully as to its impacts and how it relates in our goal to reduce emission inventories.

Rocky, can you add anything that I may have missed?

MR. CARLISLE: I think in that report we just show that, although the BAR/CARB report indicates a 2.6 percent fail rate, when you get to year four it's significantly higher on some of those model years it's as much as 6. That's based on the executive summary from the year 2003. So that's one of the issues that the report addresses.

CHAIR WEISSER: I urge the committee members to read this working draft of this report. It seems to me we have an



important issue here regarding consumer protection and regarding the net cost to consumers. It's not clear, it's not an easy issue. The consumers presumably would save money by not having to go to get their cars inspected on change of ownership. It's estimated that, what Rocky, about seven and a half million bucks a year?

MR. CARLISLE: Correct.

CHAIR WEISSER: And of course that's money that comes out of the revenue stream for Smog Check stations. Based upon some assumptions, none of which seem heroic, they all seem to be very rational assumptions, Rocky's done an analysis of the potential costs to consumers whose used car that they purchase might have to be repaired, projecting the failure rates as reported by BAR, and interestingly enough, that number comes out to be about what, Rocky?

MR. CARLISLE: I believe it was \$7.6 million.

CHAIR WEISSER: So you have in essence, at least initially at first blush, kind of a wash issue here. You know, the question here is, let's say you buy a two-year-old car, and the mill light isn't on and you go happily along your way for two years more, and in year five you come in for your first Smog Check or something – for your change of ownership, I should say, since you won't have a Smog Check until year seven, and bingo, you find some major component of the emission control system is out. You're on the hook. The used car purchaser no longer has assurance that the emission control system was operating properly when they bought the vehicle.

Ah-ha, you might say, but the mill light, that engine indicator light, will tell the vehicle purchaser if there's a problem. Well, for some of the tests that's true. The continuous test, even if you had pulled the battery cable off and then put it back on, it will reset and the continuous test will give a used car buyer a warning that there's something wrong, but there are some tests that won't happen. There are tests that only are triggered when the car has gone through a certain sequence, a cold start or achieved freeway speeds or other things.

Well, you could require instead of a Smog Check on change of ownership, a check on the OBD system for these newer cars, and that might work. That might be something that we should look at.

I think that the committee or the issue that we've raised needs to be talked about and reported to. I'm not sure what the implications are. I think the Legislature and Administration needs to be at least alerted that there may be a hole that's been established in addition to the emission reductions, which are small but in my opinion still significant, but there's a consumer protection hole that may have been established, and I'm worried about it and I'd like to see -- I want to make sure we don't overreact, but I want to make sure we react.

Did you have a comment, Mr. Hotchkiss?

MEMBER HOTCHKISS: Two comments. One has to do with dollars. First, the savings will spread out through a large

number of motorists whereas the cost would probably be assessed against a much smaller pool, so the individual costs would go up, because not every vehicle is going to be failing when require a repair.

And the second comment, it's almost universal. Everybody I've talked to in the automotive industry, including people that work at dealerships, they don't see the exemption for the new vehicles as a savings for consumers. More that it is a savings for the manufacturer in that warranty doesn't have to pay for repairs and **that** get passed on to someone further on down the line. In this case, it would be the unsuspecting purchaser of a used vehicle **that is perhaps** now out of warranty **by the time they find out about it, and that to me is the biggest concern for consumers.** You know, you're going to **save yourself \$40 to \$90 in the smog inspection,** but if you have to start replacing expensive components, you would have been better getting the test done.

MEMBER DECOTA: And our preliminary review does not indicate the costs of repairs made under warranty by new car dealers, which is somewhat alarming from the standpoint of we have no way of tracking the repair dollar value of these repairs made under warranty that will not any longer be made, and what is that going to do?

CHAIR WEISSER: I want to make sure I understand what you're saying and the audience understands. You're saying that we can track the expenses of a repair made at a test-and-repair facility, they have to report how much a repair cost?

MEMBER DECOTA: That's correct.

CHAIR WEISSER: But a new car dealer performing a repair under warranty does not report?

MEMBER DECOTA: That's what we have found out.

CHAIR WEISSER: I didn't realize that.

Is that true, Rocky, as far as you know?

MR. CARLISLE: I'm not sure what the requirement is. If they just do an emissions-related warranty and there's no Smog Check involved, of course there would be no record of that repair, but I think if they're doing a smog they still have to report it, whether it's paid by warranty or not. I'd have to check on that.

CHAIR WEISSER: Would you check on that?

MR. CARLISLE: Yeah.

CHAIR WEISSER: We're just going to go around. I think this is an interesting one. We'll start with Mr. Pearman and move back towards me.

MEMBER PEARMAN: Just one question. In the report on page three when you talk about consumer impacts, it's stated that, "Moreover, the OBD II failure repair costs could exceed the average statewide repair costs since these systems require diagnosis and subsequent repairs." Are you referring to the average statewide repair costs for Smog Check repairs in general?

CHAIR WEISSER: That's correct. Jeffrey?

MEMBER WILLIAMS: I just want to make clear this discussion has an implicit assumption it that's probably right,

but let's make it clear that you're assuming that the consumer will not ask the seller please go have a Smog Check, it's still possible to ask that, right? If you're suspicious, you could.

MEMBER DECOTA: If you're an informed consumer, I would agree. I would agree.

MEMBER WILLIAMS: I think you're probably right that most people won't, but it is possible that they could, there's nothing that precludes them.

MEMBER DECOTA: Would be interesting to take your numbers and look at car dealers' aborted repairs and find out whether a repair was made to that vintage of vehicle to see if, you know, how that relates to this whole thing, so it would be interesting.

CHAIR WEISSER: I think this is an interesting issue. You know, with Jeffrey who just wanted to add this kind of caveat emptor, buyer beware kind of issue. You know, I have a concern associated with some poor person getting nailed at year four or five or something on their car. It seems like the principle change in the law — I mean, if there is a problem you want to do a remedy that has least harm in terms of costs or whatever, and I'm wondering whether instead of requiring perhaps a full Smog Check whether some sort of check of the OBD system through a tech might be sufficient. If the OBD system reports the systems are working as designed within the parameters of OBD, that adds a level of assurance. I don't know. I'm just thinking out loud.

MEMBER DECOTA: I think that would be fine if you could mandate the manufacturer to test the car OBD II system at the expiration of its warranty, but unfortunately that doesn't exist today. What you're saying would work if that was the case, but in the real world you're going to have unscrupulous car dealerships, used car dealerships that may take and simply disconnect the battery and connect it and that light's off and the consumer buys it and if it goes on at a later time and it's a white line warranty, so you have to look at what happens in everyday life.

CHAIR WEISSER: Well, this one's going to bear some interesting review by the full committee and the development of additional information. I'm particularly interested in getting additional information on the pattern of warranties for emission control systems provided for by the state and the feds, and the pattern of manufacturer warranties and how they interface with the emission control warranties. I don't think there's uniformity in either aspect so I'd like to get a better sense.

And I see the hand of Tom Cackette raised for the first time today from ARB.

MR. CACKETTE: Is it the appropriate time to make a comment?

CHAIR WEISSER: We're going to move into public comment on this item and those before it, so please come on up, Tom.

MR. CACKETTE: Good afternoon. Tom Cackette from the Air Resources Board. Just a couple of things that may help you on this issue.

It is an issue of risk that you're talking about, who bears the risk of having or not having a Smog Check, and our data show that the failure rates were well below 3 percent, so that means that for every 100 cars, 97 people on change of ownership are spending \$50, so about \$5,000 total for every 100 cars to get an inspection when only 3 or less will be failing. Actually less than that, I believe. So it seemed to us that the savings would exceed overall any risk that those 3 people might have of having to seek a repair.

Then if we look at what those 3 three people are likely to see. Change of **ownerships** that **occur** before 3 years old universally are covered by the bumper-to-bumper warranty that's on all new cars. There's nobody offering less than 3 years of warranty.

CHAIR WEISSER: Is this 3 years or 36,000 miles, whichever comes first, and in the first year and the second year new cars who are traveling 15,000-plus miles, so you're only getting 2 and a half years, aren't you?

MR. CACKETTE: Well, you're certainly getting more than 2, which was what part of the subject was. But again, risk. That portion of people who are below that mileage or below those years are covered by warranty. If the part on the vehicle costs more than \$300 to repair, then it's covered for 7 years, so again, if they do get caught and have to fund some of

the money, it's going to be less expense and the warranty will cover the greater expense items like the catalytic converter.

The third thing is that from the consumer's understanding what's happening on OBD, there's only two systems that don't operate virtually instantaneously, and that's the catalyst check that takes maybe a day, and the evap check, which could take longer depending on the time of year because it requires warm weather typically to operate.

So, of the vast majority of pieces of equipment on that car when you go to purchase it, the light will be on, it'll be on within your test ride, and only with the catalyst it might come on the next day, which I think you'd more than likely have a remedy at that point, and maybe on the evap system would you get caught, so then we're talking about leaks in hoses and things like that which are not typically multi-hundred dollar items.

So again, the risk to us was a balance toward this is a good thing for –

CHAIR WEISSER: And I think that sort of analysis makes sense in terms of trying to figure out from a societal standpoint what the benefits of either approach are. In our review so far, one of the concerns we have is the data that you used to project those numbers. It seems like the failure rates that you are using are substantially below the failure rates that now are in place because the dataset that you used allowed four indicators to, as I understand it, readiness indicators to be violated where now it only allows two, and if you project



what the number of failures were, instead of two percent or three percent, I'm being told that we're talking five percent or six percent. That changes the numbers, Tom.

MR. CACKETTE: It would, but again, the majority of those systems turn the light on right away and I think our data was when the light was on.

CHAIR WEISSER: And that's the question. If the light isn't on because of somebody resetting the battery, or unconnecting the plug.

MR. CACKETTE: Well, you can unconnect the plug, but what I'm saying is that when you then start the car back up, you take the battery cable off and start it back up, most of those systems will run before you get out of the parking lot.

CHAIR WEISSER: Not if the plug is not wired to go on, someone unplugs the mill light.

MR. CACKETTE: Unplug the light?

CHAIR WEISSER: Yeah. I mean, is that an impossible thing, you can't do that?

MR. CACKETTE: No, you can do that, although it does a bulb check when you turn the key on, so I guess you have to be aware enough to see that the check engine light comes on when you turn the key on and then goes off. If it doesn't come on, then that's what they do at Smog Check, that's how you detect that tampering at Smog Check, but I admit the average consumer would not know that.

My point was that if the data was taken when there were five fault codes allowed, or four, my guess is that that

may not be that much relevant versus two, because we've moved to two in most Smog Check programs because the two that are the problem that don't run right away are the cat and the evap system, they take some time, and so those are ones that could be off for the consumer.

CHAIR WEISSER: Rocky, did you want to add anything at this time?

MR. CARLISLE: Yeah, I think something else that's changes this analysis is the SB1107 that took the suggestion from two years that ARB and BAR recommended to four years that appeared in the trailer bill.

MR. CACKETTE: I think isn't that where the three or you're suggesting five percent number comes?

MR. CARLISLE: Precisely.

MR. CACKETTE: For two years it's under one percent.

CHAIR WEISSER: No, it's about two percent, but under our new projection of the failure rates, does the Department have a perspective on the two to four year, the change from your recommendation of two years to four years?

MR. CACKETTE: Yeah, and we supported that change.

MEMBER DECOTA: Shame on you.

CHAIR WEISSER: The jury will note that that remark was made by Dennis DeCota.

MR. CACKETTE: Yeah, not by me. But I still say it was a risk assessment.

CHAIR WEISSER: And I think you have to do that.

MR. CACKETTE: And that raises, you know, learning from your other organization, Mr. Weisser, we were trying to balance where we could get more bang for our buck, out of a buck spent over here than over there.

CHAIR WEISSER: You'll pay for that, Cackette.

MR. CACKETTE: I've been waiting for many years to say that. Thank you.

CHAIR WEISSER: Are there any other comments or questions from committee members? Then we're going to go to the audience starting with Mr. Armstrong, and then we are going to hustle.

MR. ARMSTRONG: Yes, Mr. Chairman, thank you. My name again is Larry Armstrong. I think there's one simple way to settle that issue of taking the cars out of change of ownership would be to just tap in a little, some kind of an access into Mr. Cackette's retirement fund and let him pay for the customers that get screwed on this deal and see how much he likes it then.

CHAIR WEISSER: He might be open to that if you'd also tap in the savings to consumers who aren't paying the inspection fee. Let's be fair.

MR. ARMSTRONG: Well, I think I can show you that there's no savings to any consumers.

The question that I think you've skirted so far is, who is responsible for that vehicle? Is the manufacturer responsible for it, is the seller responsible for it or is the buyer responsible for it? And if you don't know, then the answer is going to have to be nobody, so I think what you just

allowed Mr. Cackette and friends to do is to get the Smog Check Program so it doesn't work anymore, and that's the issue here, because you can't hold anybody responsible because you don't know where the hell you are at this moment in time if you don't check the cars.

The concept that – switching back to the earlier items – the concept that the person with the older car somehow bears this responsibility for repairs, I think you've got it reversed. The person that bears the major responsibility for the emissions in this state is the guy that buys the new car. That person puts a new car into the marketplace that's at least twenty times cleaner than the older cars, and that person is suffering a tremendous financial setback in buying that new car and we're worried about the little guy having to repair that \$30,000 car that he bought for \$4,000 somewhere down the line. You've got your perspective in the wrong place, I think.

The one that ought to get rewarded is the guy buying the new car because he sets the stage for all the improvements all the way down the line.

The question of high mileage cars. Probably the most abused vehicles in our environment are taxicabs. I've never been in one that ran right. If you just passed a law that said to somebody go look in the Yellow Pages and find out who runs taxicab companies and notify them that they have to do something different, and I don't know why anybody has a hard time trying to figure out who taxicab companies are; they advertise who they are so they would be pretty easy to find.

Fleet testers. I don't want to take a test on this, but a lot of the people that test fleets, it's my understanding that they do not even have a Smog Check license, so that's an area that you might want to go and explore, because you've got people checking cars that basically do not have the responsibility of licensure that the rest of the people out in the marketplace have.

CHAIR WEISSER: Thank you, Larry.

MR. ARMSTRONG: Thank you.

CHAIR WEISSER: I find myself with the notable but maybe sole exception of your attempt to tap into Tom Cackette's retirement account, your comments were very well directed. Thank you.

MR. ARMSTRONG: Well, he's been trying to put me out of business since 1992 that I know of, so if he donated a little it certainly wouldn't hurt.

CHAIR WEISSER: Thank you.

Rocky, is there something you wanted to add?

MR. CARLISLE: Yeah. The ones he's referring to are typically government fleets that in most cases require an annual inspection, but they don't write a certificate of compliance so it doesn't go through the VID.

CHAIR WEISSER: But if I'm a taxicab person do I have to have a Smog Check license in order to perform a Smog Check?

MR. CARLISLE: Yes.

CHAIR WEISSER: So it's the government fleets that aren't required to —

MR. CARLISLE: Correct.

CHAIR WEISSER: Thank you. Any questions from committee members? Let's move on down. Chris.

MR. ERVINE: On OBD II **and change of ownership**, I can assure you that there are aftermarket goodies out there that we could remove emission equipment, catalytic converters as well as other things, and add non-emission equipment non-approved by ARB, we could put on nitrous injection, all kinds of stuff, and the check engine light will never come on, because there are sensors that we can replace sensors with that will lie to the computer. There is software that we can change to lie to that computer that it will not turn on the light.

CHAIR WEISSER: By 'we' you're talking -

MR. ERVINE: Aftermarket. Aftermarket installers. Not myself. I don't do that; I'm a Smog Check station and it's illegal for me to modify a smog test, but consumers can install all these things and the check engine light will never come on.

So, a two- or three-year-old vehicle that is sold, the new owner of that vehicle may not find out for another three or four years until Smog Check comes up that their vehicle fails, and then they may find out that it's going to cost them thousands of dollars to repair because emission equipment is missing, and there isn't a manufacturer's warranty in the world that will pay for any missing, modified or disconnected emission equipment on a vehicle. **So** I submit that the change of ownership is very valuable as far as saving consumers money.

And by and large, the number that he was talking about earlier, the large number of people paying \$50 apiece as opposed to the three people that were going to end up paying upwards of around \$3300 apiece for smog, the large number can afford the smaller number much easier.

CHAIR WEISSER: I thought there was some sort of warranty for the large out-of-pocket expenses that goes to seven years.

MR. ERVINE: Not if it's missing, modified and disconnected.

CHAIR WEISSER: Ah. Then all the conditions –

MR. ERVINE: Then everything goes out the window.

CHAIR WEISSER: Good point.

MR. ERVINE: And high mileage vehicles, I have a fleet of vehicles that I work on rather regularly when they will stop long enough to work on them. Three of the vehicles in the fleet are 2002 that have between 300-400,000 miles on them, and there's no way to find out whether these are high mileage vehicles other than do a smog on them.

CHAIR WEISSER: Yeah, I think we have a very difficult time with privately owned vehicles getting to it. I just don't know how you'd do it. The fleet vehicles like taxicabs, I mean, I think that you ought to be able to find out where the cabs and whatnot are just from the city licensing authorities.

MEMBER HOTCHKISS: If I may? I just looked at a receipt here and it's the Sacramento Independent Taxi Owners

Association. They're independently owned cabs, but somehow somebody knows because they're collecting dues or something.

CHAIR WEISSER: Well, cities and local governments license these things and they're a revenue source. Anyway, we don't need to go there. Thanks, Chris.

MR. ERVINE: And many of these vehicle they do not fix the check engine light until there is drivability or a safety issue with the vehicle before they shut it down.

CHAIR WEISSER: Thank you. Mr. Peters.

MR. PETERS: Yes, Mr. Chairman, committee, my name is Charlie Peters, Clean Air Performance Professionals. We're a group of motorists.

First issue is the smoke issue. I've been talking about that for, oh, I don't know, twenty years or something like that, and it sounds like we're going to go, 'If you got any smoke at all, we gotcha.' The highway patrol has a training program to train them with their eyeballs to see what is over the standards of the law of the State of California currently. If the highway patrolman who doesn't necessarily know anything about cars necessarily can do it, well, certainly an auto mechanic could be trained to set a standard that's appropriate and compatible with the current California law. So we don't have to get anybody that has any tiny wisp of nothing that everybody's going to not comply with anyway and let it go, and set a standard that would be reasonable and follow the current California law that wouldn't require any equipment other than a software change to put yes or no on the sheet. A reasonable



program when it started and a reasonable place, and if that's not working well enough then do something additional later.

On the issue of change of ownership, being there and looking at tamper and looking at OBD and so on and so forth. If you go to other states that do not have the comprehensive program that we do, whether they have a testing program or they don't, you take a fifteen-year-old or a twenty-year-old car and you look under the hood and they had all kinds of equipment on them when they were new, EGRs, air injection, thermostatic air cleaners, this, that, the other thing, and you look under the hood and you've got an absolute total disaster with a little chrome beanie in there and none of the equipment hooked up, no vacuum going to the distributor, you know, they're just a disaster.

You go look at a California car, same age, same mileage, and you look under the hood, everything's there, everything's hooked up, everything works. There's a reason for that, and that is the Smog Check Program creates an ancillary effect, and that car may never have been repaired in the California program, but because of a comprehensive program that sets a standard that the public responds to, the car doesn't get broken to start with and the impact on the fleet of cars in California by that process, that ancillary process, is huge. It is far probably in excess of a thousand tons a day reductions that nobody's getting any credit for, and all you've got to do is go any other state and look under the hood of fifteen-year-old cars and you go, whoa. That process starts when the car is

new with people goofing with the car, you're setting those standards, that car starts to deteriorate from the day it's brand new with people tampering with it and goofing with it and not doing appropriate repairs, so when you wait until that car is over the hill, it's too late, you're going to end up with a mess and huge emissions increases.

The issue of the OBD, there is a laptop that takes about fifteen minutes to take any OBD II car and say it's happy when in fact you've done anything to it that you want, so unless you've got a comprehensive program, people are going to respond to that and tamper the car and it's going to pollute like crazy and you're going to go 'How come?' Because you were stupid.

CHAIR WEISSER: Thank you, Mr. Peters.

Item or working group fourteen, improve station performance through tighter after repairs emissions standards, Dennis and Bob are working on this item.

Bob, do you want to take this or do you want Dennis to?

MEMBER PEARMAN: I've only been recently recruited to this so I'm in the dark.

MEMBER DECOTA: Basically, Robert and I have not been able to converse on this issue. In brief discussions with staff, there's a built-in conflict issue here that we need to take and realize. I mean, on one hand, by law, a repair shop can only repair the car to the legal specifications and can only be off by the sum of whatever sales tax is charged.

Here you're asking the industry to kind of violate by selling the consumer something that they don't need by law to pass a Smog Check, so you have to deal with that issue before you can really go forward, I think, Mr. Chairman. It's a tough issue.

CHAIR WEISSER: It is a tough one. We understand that CARB is doing some sort of analysis on this. I guess the deadline remains the same as next month, and I think we should just kind of put this on hold and see what their analysis is and particularly their take on the political kind of consequences involved in this, so thank you very much.

Bruce and Gideon are working on fifteen, which is improve station performance through enforcement.

Bruce?

MEMBER HOTCHKISS: I have submitted a draft to Rocky and Gideon and my understanding is that Gideon has made some recommendations, but due to time constraints, Rocky decided to go to bed last night instead of stay up, but we are working on some recommendations.

Let me off the top say that I think that both Gideon and myself are impressed with the enforcement measures that BAR has taken so far and feel that they do a very good job. There are some holes maybe that need to be filled, but I don't think that they're major.

I know Gideon was going to be talking to someone from the Attorney General's Office to look at time lines at that end. It does appear that some of the excessive time in concluding, I

guess the prosecution, if you will, part of it is at the AG's level due to staffing concerns they have. There are a few other minor issues that we may recommend.

I also would point out that it appears as though there's going to be a recommendation of an enforcement monitor appointed to BAR, and the enforcement monitor will probably be looking at many of the same issues that we are, so hopefully our recommendations will actually come out before the enforcement monitor gets appointed and then maybe, you know, the enforcement monitor will look at our recommendations as well.

CHAIR WEISSER: I think one of the more interesting aspects of what you and Gideon are looking into is the nature of the relationship between the Department and the attorney general in terms of the hand-off of cases and the AG's ability to follow through with that from a staffing standpoint and from — I believe DCA, Department of Consumer Affairs, reimburses the Attorney General's Office each and every year for an anticipated number of personnel years that you're going to be requiring, and that's one of the issues we're going to be wanting to look at and seeing if you're actually getting that level of service or whether you need more in order to move these things into higher gear.

Bob, did you have your hand up?

Mr. DeCota.

MEMBER DECOTA: Bruce, will you and Gideon be looking at the issues to do with enforcement such as procedural steps? In other words, is there, which there isn't anymore, but like a

NOV is there a citation one, two and three, and at what point does it go to an AG action. What triggers an AG action? What is the timeframe that the shop owner may be suspected of having an issue to do with enforcement versus the time he's notified? What is a reasonable amount of time so that if he was notified earlier he could take and make a business decision with regards to those kinds of problems? Will you encompass those type of issues in your recommendations?

CHAIR WEISSER: Excuse me. Of course you've provided those questions to the subcommittee group when this item was first developed or when we talked about it a couple months ago?

MEMBER DECOTA: I've been trying to talk to Gideon about it and I can't find him. I'm sorry, Bruce.

MEMBER HOTCHKISS: That's okay, Dennis. We have looked at a variety of those issues, maybe not each one of them as in depth, but I think Gideon and I are both aware of some of industry's concerns or many of industry's concerns.

We submitted a series of questions to BAR and we have written response on them. There are some that they felt they couldn't answer for security reasons, I guess, and we understand that they feel that to answer some that they might be tipping their hand, but generally, most of the issues have been addressed.

I will say that there's some holes that I think need to be filled that are BAR's responsibility, but looking at the time lines from the end of an investigation until they submit the case to the attorney general, the average length of time was

relatively short and it does – you know, the problem does seem to be on the attorney general's side as far as the different steps and things like that.

CHAIR WEISSER: I heard Dennis's question as being, you know, the time line between the time the station is subject to an investigation until something is brought to – are you looking at that at all?

MEMBER HOTCHKISS: Well, we don't know exactly when an investigation is initiated, and that, I think that's kind of proprietary information from BAR.

MEMBER DECOTA: That is probably a paramount issue with owners is the time, the timeframe between when they were accused or suspected of a violation or wrongdoing until they're notified so that they can make a correction.

In other words, you got to know you did it wrong before fourteen or eighteen months have elapsed and there's been re-investigations in that period of time and the problem still exists when the problem could have been carved out. You understand the importance of that timeframe from an industry perspective?

MEMBER HOTCHKISS: I do, Dennis. And one of the things is BAR has not given us that information. And I can talk more from an investigative point of view personally.

I mean, an investigation can take an indeterminate amount of time and you really can't – and I don't care whether it's against an automotive repair shop, a smog station or a drug dealer – you can't really determine at what point you're going

to be filing with the attorney general or with the DA until you finish the investigation. And BAR obviously is not going to give out all the information about their investigations.

MEMBER DECOTA: Which makes sense, but there should be a protocol set out to go through from the standpoint of regulations and citations.

There's fraud. We're still trying to find out what that is and the definition of fraud. I hope that's on the spectrum. We've talked about that a lot of times. There's many issues in that area.

CHAIR WEISSER: I don't know where to go with this little back-and-forth, particularly considering I couldn't say, gee, you ought to be sitting down with the subcommittee, but you can't do that unless you notice a meeting.

You know, I just don't know what the best use of this committee's time is in this regard, and I'm open for suggestions.

MEMBER DECOTA: All I can tell you, Mr. Chairman, is that it was paramount in the Sunset Review hearings. Legislation was evolved because of some concerns, and I think it's the committee's responsibility to make recommendations to both the Legislature and to the regulatory agencies on these issues. I think that it's an important aspect to running a proficient Smog Check Program that is free from human defect as possible and we need to address these issues.

CHAIR WEISSER: And maybe what we should do is arrange for, you have a good sense of where Member DeCota is coming

from, and maybe what we need to do is you have a similar sort of conversation with Member Kracov, and then you as the subcommittee need to decide what are your priorities in terms of what they're going to review. Mr. DeCota will have an ample opportunity to comment on a draft report and comment again as you did, I think, pretty effectively regarding what's in that draft or what's not in the draft. We'll have to go from there.

Item number sixteen. The Governor, as we mentioned earlier, signed 2683. We have a draft report that's included in your brochure, in your pamphlet, in your weight lifting exercise document, so I suggest committee members read that, I don't think we really need to go into any further discussion on that item, other than to thank Jude Lamare for the great work she did in its development.

Item number seventeen, analyze emissions impact of vehicles that receive waivers and continue in operation as gross polluters, and the subcommittee members who are assigned there are T, B and D.

MR. CARLISLE: To Be Determined.

CHAIR WEISSER: I got it. So when did this puppy pop up?

MR. CARLISLE: That pup popped up two months ago at the meeting we had in the Bay Area, and that was one we essentially tabled until next year.

CHAIR WEISSER: Very good. Well, that concludes our presentation to you as to where we stand, and if you enjoyed that, then make sure you come back next month because we're



going to be doing it again, but hopefully next month we will have specific drafts that we can work off of and start, frankly, noodling word by word to make sure that we are comfortable with the recommendations put together by the subcommittees or put forward alternates that we can go through and adopt.

It's therefore important that drafts of the items be submitted to Rocky. One of Rocky's jobs is going to be to not only write some of these for us but also to rewrite all of these so we have a common kind of editorial tone to them.

And then, Rocky, it's important for you and Lynn to get these things out as early as you can to the full committee so that we get a chance to look them over, and I'm going to be expecting people to come in with additions and substitutions and changes before and during the meeting part of the committee members. So we're not done, we're going to go through this cycle a couple more times.

— oOo —

Let's now turn, if we can, to the audience or the public to once again have opportunities to ask questions or make comments. Once again I'm going to urge that you think not only just of the items we're covering here, but you have this grand opportunity to give ARB and BAR input on their report on issues that we have not covered or that we haven't covered well in your remark. And we'll start with the gentleman on the left. Yes, sir, you. You got it. You wear the time, you buy the dinner.

MR. RUE: Thank you. My name is Benjamin Rue and I work in the test-only part of the Smog Check industry and I run

a test-only station here in North Highlands, and one of the main reasons why I've come to this meeting today is because I saw the agenda, the agenda item of the effectiveness of test-and-repair versus test-only and Gold Shield. That's one of the main items of concern on the agenda, and the after repairs tests were an issue, and enforcement was also an issue that I'm concerned about.

In working in test-only, I've worked in it for – I've had my Smog Check station since 1998, and when we first started out in test-only we used to have the ping-pong, we used to have the cars that would come back over and over and over again. This is because the test-and-repair stations could not repair them to the best of their ability.

When we started this Gold Shield program I had a lot of concerns about some test-and-repair stations being able to certify their own repairs on the vehicles. And of course obviously I already knew what was going to happen but I was assured that BAR enforcement would stay on top of it.

Since my business also processes vehicle registration, in the the last couple month's time I've come across two examples of people that have come back, that were customers of mine that have come back and have had repairs made at these CAP stations or Gold Shield stations that have certified their vehicles and their vehicles were very much not repaired, and I'll submit these to the committee, but those are two examples of vehicles that were not repaired.

And the statistical odds of just coming across two cars that have very much been noncompliant, it indicates it's a very, very small sample group and it indicates the fact of the matter is most of these cars that are at the Gold Shield stations that are getting certified are not actually compliant. And in the examples that I've seen from what I've seen from these test-and-repair stations, I have seen — I've seen very few of these cars that are actually compliant and I have not yet seen one if it was compliant having been repaired just actually what was wrong with it; I've always seen perfectly good parts replaced and services done that aren't needed, and that causes me a lot of concern when that's of course one of the issues today, because if you're going to evaluate the effectiveness of the Gold Shield stations, I think it should be considered the fact that most of the Gold Shield stations, most of the cars they're certifying repairs on aren't compliant.

Which brings me to another issue because they're getting money from the state, and in which case a lot of the cars I've seen have actually had tampered with emission control systems that were not tampered before the Gold Shield stations got ahold of them. The way I look at it, the consumer assistance program is making repairs that it's paying to make cars not compliant.

CHAIR WEISSER: Have you had discussions with folks within the Bureau of Automotive Repair associated with these — I mean, you're saying there's basically a lot of fraudulent activity going on in the repair business; is that correct?

MR. RUE: That is correct.

CHAIR WEISSER: Have you had any conversations with any of the BAR folks?

MR. RUE: Yes, I have. I used to more diligently take action against it, but I kind of gave up for awhile because there would be somewhat of a response, but I would put out a lot and it would take a lot of time to document these instances that this kind of stuff happens, but unfortunately a lot of the times, I would say more than half the times the stuff never gets followed up on to my knowledge, and I never see anything change most certainly. And I think that's something that the BAR's enforcement program that's going to be need to step up, because I can't say exactly what the problem is per se with it, but the effort needs to go up higher, because this kind of stuff is all over.

And I've strongly been opposed to having stations certify their repairs, that was one of the reasons why we had test-only stations, and we made sure that cars were actually compliant. And yes, they would have to come back and forth an awful and it did cause some consumers to have to bring -

MR. WARD: (Inaudible) of questions, and I think that is certainly a good starting point to focus on for an enforcement monitor.

CHAIR WEISSER: Randy, we did get a reply to the questions. Some of the questions that would have involved revealing some of the practices associated with surveillance things and the like were justifiable said, gee, we'd love to

tell you this but we've have to kill you if we told you, so we didn't get those responses, and that's appropriate, they need to keep that stuff kind of under cover. But we got a lot of response on some of the other process questions, but I do not believe that they covered the full scope of the issues that Dennis reeled off, and I'm looking forward to reading the transcript to kind of look at those questions with more time to kind of see whether or now we might be able to engage in that. I just don't know.

Please continue, I'm sorry.

MR. WARD: That's all I had to say, Mr. Chairman.

Thank you.

Chris and then Larry. Please somebody give input to ARB and CARB on the report beyond which the things, the issues that we are raising. Go on.

MR. ERVINE: Chris Ervine, Coalition of State Test-and-repair Stations. In rebuttal to the gentleman from test-only here, I can also testify to many vehicles that come into my shop - I'm a CAP station - from test-only that have failed for emissions that have missing, modified and disconnected equipment on it or the timing is incorrect or there are other failed items on it that the test-only never, ever cited. So I submit to you that the test-only is also capable of not doing their job correctly.

I don't care which industry you get into, whether it's test-only or test-and-repair, there are people out there that do not do their job correctly, and the only way that you're going

to do it and I have asked BAR to do it is they have all the data available through the SIP is when a car fails at a test-only for an emission only problem and it goes to another station and it's tested and has all kinds of missing, modified, disconnected equipment on it, somebody is committing fraud and they need to investigate it and they need to check off on it and then that station needs to be fixed.

CHAIR WEISSER: Thank you.

MR. ERVINE: On another matter altogether different, I have requested from Bureau of Automotive Repair a description of how a test-only facility in conjunction with a general automotive repair facility should be and function. Bureau of Automotive Repair has given me only verbal rules concerning the description of this type of a facility. They have not been able to cite any written rules and regulations concerning this type of facility.

And this is how the Bureau of Automotive Repair has run the Smog Check Program since its inception. This is the same as pulling onto a four-lane highway and as soon as you pull on there's a sign that says "Speed limit strictly enforced," and it's four lanes, there's no cross streets or anything, no stop lights, so you take it up to 55 and you cruise along, and a mile down the road a cop pulls you over, impounds your car, handcuffs you, throws you in jail and says, 'You were doing 35 miles an hour over the speed limit.' There wasn't any posted speed limit, and that's just the way BAR has been operating. They're not writing it down, and how can you govern an industry as big

as the Smog Check industry in the State of California without written rules and regulations? And they're not doing it.

CHAIR WEISSER: You're saying there are no written policies, rules or regulations associated with the prohibition of owning a test-only and a test-and-repair?

MR. ERVINE: No.

CHAIR WEISSER: What?

MR. ERVINE: At a recent meeting here BAR testified that a test-only station could also own and operate a test-and-repair – or I'm sorry, a general auto repair shop. And they also testified that it had been this way since the inception of the Smog Check II Program.

I can bring both test-only and test-and-repair shop owners in that will testify that BAR presented completely different than that.

CHAIR WEISSER: Okay.

MR. ERVINE: But the fact is that now they're saying that you can have a test-only and a general auto repair shop in the same facility except that it has to have a separate address, it has to have a separate office, it has a number, a different ARB number, but there are no written rules citing any of these things, and I want to see these.

CHAIR WEISSER: Well, I see the chief of the bureau is here and I get the impression with his body language that you're going to see something in that regard.

Am I misreading your body language, Chief Ross?

MR. ROSS: I was trying to be very still.

CHAIR WEISSER: Ah. Taking the hit for the boss, James, good policy.

Well, I have to say that what Chris is raising to me makes sense. I mean, he's got to question what is the rule and if it's not laid out someplace in writing how the heck is he going to know? And I'll leave it at that, and let me know what happens next month, Chris.

MR. ERVINE: Thank you.

CHAIR WEISSER: All right. I'm sorry, Larry and then Charlie, but before you get up for one second I just want to make sure I don't forget.

Earlier today I asked about whether or not we are taking advantage of the introduction of the enhanced I&M in the Bay Area to do a before/after kind of comparison. Is there a quick answer someone can give me or is that something I need to call and follow up on? Dave, you want to just come on up.

Thanks for your patience, Larry.

MR. AMLIN: David Amlin, Bureau of Automotive Repair. A couple things.

One is that we are doing some data analysis to go ahead and look at the Bay Area separate from other portions of the state. In addition, we will have some portion of the time for the remote sensing study will be in the Bay Area. I think that's pretty much it.

CHAIR WEISSER: Okay. Thanks.

Tyrone?

MEMBER BUCKLEY: I have a question for Mr. Ervine.



CHAIR WEISSER: Okay. Hang on for one second. I may give you a call next week after I get my head above the water line to chat about this a little bit.

Please, Tyrone.

MEMBER BUCKLEY: I'm sorry, my learning curve is new and that was very interesting testimony, and it may have well been implicit but I'm just going to ask more directly. Is the concern that people are allowed to have basically test-and-repair facilities but get the test-only designation and therefore get people directed to their operation more often than a test-and-repair facility would rather than just a clarification on what the rules are?

MR. ERVINE: The concern is that there is no written rule. All the Bureau of Automotive Repair has been able to cite for me is Health and Safety 44010.5, which just says that there are test-only stations and that the owner of a test-only station can have no financial interest in a test-and-repair facility within a 50-mile radius. Originally, when the program was brought online, Bureau of Automotive Repair presented it to the industry that the owner of a test-only station could not have any financial interest in any automotive-related business within a 50-mile radius, and that has since changed, however, there were never any written rules about it and BAR just keeps changing the rules as they go along without documenting it.

MEMBER BUCKLEY: Thank you.

CHAIR WEISSER: You know, if what you're saying is accurate, Chris, it just sounds like that there's been a change

in, you know, policy interpretation that could have been made through a legal review of an issue where a lawyer today looked over the statute, looked over the potential arguments in court and said we can't hold to that old interpretation. There's nothing in the statute that prohibits a test-only station from having a general repair business. I don't know, but that's something I'm kind of confident that we're going to get clarified and I'm sure you're going to be able to tell me that by next month.

MR. ERVINE: Okay. As I've read the law, there is nothing that prohibits a test-only station from owning a general auto repair or any other type of auto-related business except for test-only within a 50-mile radius, but that's not the way it was presented to industry.

CHAIR WEISSER: Right. I hear what you're saying.

MR. ERVINE: And unless industry went and did the research themselves and dug up the law and read the law, they had to take BAR's word for it, and BAR has misrepresented it from the get-go.

CHAIR WEISSER: Mr. DeCota.

MEMBER DECOTA: I believe that Mr. Ervine is correct in what he's stating to the committee. The issue has become more pronounced since the Bay Area went on the enhanced program because there wasn't enough infrastructure for test-onlys.

CHAIR WEISSER: Got it.

MEMBER DECOTA: Let's call a spade a spade, okay. And now there is the 50-mile issue, which was key in the legislative

mandate on Smog Check has now taken a different interpretation by field representatives by BAR as to what it means. I mean, we now have ARDs that own repair facilities within a mile, within ten feet of their test-onlys, okay, which is a change in the direction of what was we as industry felt that the guide was for. So what Chris is asking is for a clear understanding so that industry can perform properly under its licensing.

CHAIR WEISSER: Sounds reasonable to me. And I'm confident that you're going to get a clear understanding of the bureau's policy.

Mr. Armstrong, thank you for your patience.

MR. ARMSTRONG: Yes, my name again is Larry Armstrong. Just for laughs, the San Francisco Air Board was doing a study on what they felt -- or they had contracted out for a study on what they felt were the effects that was going to be on the Bay Area with Smog Check II. I tried to get it about six months after it was supposed to be in, so if you want to have some fun you might want to go and try and get that report, because there was a possibility that the NOX effect was going to put a detrimental effect on the Bay Area, not an advantage, and that very quietly went away.

CHAIR WEISSER: Mr. Cackette could explain to us in great detail the so-called 'weekend effect' and provided us with an interesting if not fully compelling perspective.

MR. ARMSTRONG: The gentleman that just checked in on the committee, I'm glad you're interested there. In the Bay Area I will tell you that with the start of Smog Check II and if

you go in and take away the five and six year cars from what's left in the test-and-repair industry, I think somebody would have a hard time disputing my number that 70 percent of the business that was available to test-and-repair stations before the dynamometers in the Bay Area will be gone at the point where the fifth and sixth year vehicles are taken out, full 70 percent of all of the directed vehicles.

On enforcement, I think you need to be pretty careful on enforcement. I think I've shared with you, I think I've spent seventeen years on probation with the State of California, none of which I ever condoned or would have tolerated, and some of it was outrageous enforcement activity on the part of the regulators, some of it was fair and equitable, none of which I would have tolerated.

I'm going to suggest to you something that wouldn't go very well in our society, but you could have a more effective enforcement with, what I was sitting there writing down, you could have enforcement by phone, and I can assure that if Mr. Vanderlaan called up Chris Ervine and said you've got a guy on your payroll that is doing bad Smog Checks and we can show you a little information if you'd like, and then asked to have that person put on the phone next, I can almost absolutely guarantee you that something would happen and it would be immediate, it wouldn't be two years from now, it would be right now and up front and done, except the regulatory community is not allowed to cooperate with the regulated community so that we get no cooperative effort where we would be more than happy to

work together and resolve any kind of problem that was out there.

CHAIR WEISSER: Thanks, Larry. I do not believe the regulated community is precluded from having those sort of conferences on enforcement issues as you have just described. And in fact, the sense we've gotten from the replies we've received from BAR is that they do precisely that, so when we get our draft written, based upon information that we've received and other information we've developed, I'd be real interested in seeing why these two do seem in opposition.

Mr. Peters, I think you're batting clean-up.

MR. PETERS: Mr. Chairman and committee, my name is Charlie Peters, Clean Air Performance Professionals. Question for you, Mr. Chairman and committee. Does the program with its modifications meet the State Implementation Plan?

Throw something at you just very quickly. Does it meet the cost limit requirements of the Clean Air Act which are not negotiable? The answer is no, it doesn't. The State of California is not in compliance with the federal law, period. Now we've made huge changes to the program and nobody seems to care, so I think that's important that the community should be aware of that.

Mr. Frank Cruz who has been out of business for a year and a half who has a stipulated agreement to go back into business on the 13th, he has a letter from Mr. Vanderlaan that also indicates that, hasn't even gotten a license to go back into business yet. I think it's past the 13th. Oh, well, you

can go back into business, just trust us. Cost him \$150,000 so far. He still has no license to do business in the State of California.

Webcast. You've got a webcast, you tell the whole world you've got a webcast. Somebody calls all the way across the country, finally gets hold of somebody that says, 'Oh, you're the only person that complained so it really doesn't matter, thank you very much,' click. I find that very interesting how you relate to the public. That particular person oftentimes flies all the way across the country to come to your meetings, doesn't even get a notice that your meeting is not taking place until two days after the meeting is scheduled.

Another thing that I'd like to have some answers on is when are we going to do something about all the invalid information that Smog Check mechanics are mandated and required to follow, which is fraud and nobody will address. Thank you.

CHAIR WEISSER: Thank you, Mr. Peters.

Rocky, you have something (inaudible)?

MR. CARLISLE: Yeah, I'd just like to respond to the comment. Mrs. Stella Pyrtek-Blond did call the Department of Consumer Affairs complaining about the fact she could not hear the webcast. I did contact her, told her I'd contacted three other people, they have no problem. I'm not sure if it's just that circuit, that area or what the problem was, but by no means did I tell her it did not matter. I just wanted to clarify that.

CHAIR WEISSER: Thank you for clarifying that.

Anybody else in the audience have anything they wish to say at this time? Anyone else on the committee that has anything they want to raise? Sir, come on up.

MR. PETERS: I'd like to respond to Rocky's comment. The music comes through fine, but you can't hear what people are saying.

MR. RUE: Thank you. My name is Benjamin Rue. I'm with California Test-only Center. I just wanted to say on the issue of test-only stations having a conflict of interest with other businesses, there is no possible way that I think that I could administer a test-and-repair station and an automotive repair dealer, because all repairs involve emissions systems on the vehicles because they're all over **them** and there's just no way to separate the two.

And unfortunately, when test-only regulations were first put together, **it was** my understanding **until recently, but it was** my understanding that if you owned a test-only station you couldn't own a car dealer license or any interest in an automotive repair **dealer at all. And** I think that was important because I see a lot of test-only stations also now have car dealer licenses and the very people at test-only that we're trying to work against the actions of **is** car dealers, so if somebody is a test-only and a car dealer, obviously they're going to be getting cars past inspections that aren't going to be compliant, and I think that's a very bad situation and I

think maybe that's something that should be addressed. Thank you.

CHAIR WEISSER: Hang on a second, we have a question from Member DeCota.

MEMBER DECOTA: Mr. Rue, are you an automotive technician by trade?

MR. RUE: Yes.

MEMBER DECOTA: You're certified, AFB, master tech, anything like that?

MR. RUE: The basic certifications, I have all of them.

MEMBER DECOTA: Thank you.

CHAIR WEISSER: Well, I think it's interesting that you and Chris agree that there can be bad apples, and you and Chris agree that the rules as you understand them associated for a test-only to have another type of automotive business you also agree. Sounds like you guys should go out and get a cup of coffee or a beer and become friends.

Members of the committee, any further questions?

MEMBER WILLIAMS: Just to verify the next meeting date.

CHAIR WEISSER: Next meeting date, what is it, boss?

MS. FORSYTH: October 26th.

CHAIR WEISSER: October 26th, and we're going to hold it?

MS. FORSYTH: Here in this building.

CHAIR WEISSER: And the time is going to be?



MS. FORSYTH: 9:30 to 4:30.

CHAIR WEISSER: 9:30 to 4:30, maybe. Please feel free to communicate with Rocky. He and Lynn have been faithful in distributing letters that he's received or emails that you send in to him on any ideas. I appreciate your patience and persistence in sitting with us through today's meeting. And with that --

MEMBER DECOTA: I'll make a motion to adjourn.

CHAIR WEISSER: I hear a motion and a second from Mr. Hisserich.

Is there a discussion, Mr. Carlisle?

MR. CARLISLE: No, I just had one comment. We did make arrangements for the last meeting for this year in December. It's going to be early in December and will be a teleconference meeting so that the people in southern California do not have to fly up here. It'll probably be only a half-day meeting so we can approve the final report before it goes to the Legislature and the Governor's office.

CHAIR WEISSER: So let's make sure that the public and those people who might be listening in on the webcast understand what you mean by telecast meeting.

MR. CARLISLE: It's a teleconference, so there will be committee members both in Los Angeles and in Sacramento, and they will be communicating via television screen similar to the one behind the committee this afternoon, and there will be room for an audience as well.

CHAIR WEISSER: So theoretically this is the meeting that we will review and approve the final draft of our report to the Legislature before it gets sent out to agencies for there's a 30-day review cycle for – no, it's not getting –

MR. CARLISLE: No. The intent at least in our planning was that it would go out to agencies before that time.

CHAIR WEISSER: In November, and then this would be the final review and approval.

MR. CARLISLE: The final review.

CHAIR WEISSER: Okay. Well, let's hope we can keep to this schedule, I'm really committed to it.

With that, all in favor of adjournment or recess?

IN UNISON: Aye.

MEMBER PEARMAN: What was the date for that December meeting?

MR. CARLISLE: December 16th.

CHAIR WEISSER: Everybody hear that, December 16th? Okay, with that, the meeting is adjourned. Thank you.

**(Meeting Adjourned)**

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# TRANSCRIBER'S CERTIFICATION of REVISION

This is to certify that I, TERRI HARPER, revised the previously transcribed meeting of the California Inspection & Maintenance Review Committee, dated September 28, 2004, using a videotape recording of the proceedings in order to include portions that were missing from the original tape recording due to equipment malfunction; that the pages numbered 1 through 188 constitute said revised transcript; that the same is a complete and accurate transcription of the aforesaid to the best of my ability.

Dated October 15, 2004.

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TERRI HARPER, Lead Transcriber  
Northern California Court Reporters

--- Revision List ---

Location is Old Page:Old Paragraph New Page:New Paragraph.

Paragraph numbers shown as zero refer to the part of a paragraph that is carried over from the previous page. The {Hrt/Hpg/Tab/Spc} codes are generic symbols which refer to categories of end-of-line, tab/indent, or space codes.

1:4	1:4	Insert	REVISED{Hrt}{Hrt}
1:9	1:10	Change	{Hrt}{Hrt}{Hrt}{Bld}{Hpg} -To- {Bld}{Hpg}
2:15	2:15	Change	4 -To- 5
2:18	2:18	Change	3 -To- 7
2:19	2:19	Change	86 -To- 102
2:20	2:20	Insert	167
2:21	2:21	Insert	188
2:22	2:22	Insert	{Bld}
2:22	2:22	Insert	of Revision
2:22	2:22	Insert	189{Bld}
3:2	3:2	Delete	This is
3:2	3:2	Insert	Okay. Ladies and gentlem...
3:2	3:2	Change	he September 28th -To- o
today's			
4:1	4:1	Insert	or
4:2	4:2	Delete	[interference] the
4:2	4:2	Delete	[interference]

4:2 4:2 Delete s  
4:2 4:2 Delete [interference] by  
4:2 4:2 Insert my intentions for today. ...  
6:7 6:8 Insert open meeting law  
7:3 7:3 Delete [interference] therefore,...  
7:3 7:3 Delete [interference]  
7:3 7:3 Insert ; therefore, they're tryi...  
8:0 8:1 Delete ,  
9:1 9:3 Change [interference] -To- - part of

the

11:1 11:3 Delete -  
11:1 11:3 Insert minutes and the previous ...  
11:1 11:3 Delete were  
11:2 11:4 Change Weisser had -To- Rocky  
11:3 12:1 Change (inaudible) -To- that we

guttled a bill

12:0 12:1 Change (inaudible) -To- was the

wishes

13:7 14:0 Change [interference] -To- toward -  
13:8 14:1 Delete -  
13:8 14:1 Insert No, \$4 I believe was orig...  
14:1 14:3 Insert {Hrt}MR. ERVINE: And you

sa...

16:1 17:0 Delete . Your job is to [interf...  
16:1 17:0 Insert and your job is to analy...  
17:2 18:0 Change that we find is -To- is, it's

signed and

17:2 18:0 Change , t -To- . {Hrt}T  
 19:6 20:5 Delete that - {Hrt}[interference -  
 3...  
 19:6 20:5 Insert is I'd like to see proof ...  
 19:8 22:10 Delete - {Hrt}[interference - 2  
 minu...  
 19:8 22:10 Insert allow vehicles into the s...  
 19:10 23:9 Delete -  
 19:10 23:9 Insert I guess it would seem to ...  
 19:10 24:0 Change the '76 -To- pre-'76  
 19:10 24:0 Change the program -To- state  
 20:0 24:1 Delete s  
 20:0 24:1 Insert may  
 20:1 24:2 Delete [interference] answer yo...  
 20:1 24:2 Insert , and in fact I think the...  
 20:1 24:3 Change {Hrt} -To-  
 20:2 24:3 Change (inaudible) -To-  
 Mr. Armstrong  
 20:2 25:0 Delete {Spc}  
 20:4 25:2 Change (inaudible) -To- Lynn  
 Skarlett,  
 20:4 25:2 Change some of the cops' -To-  
 Senator Kopp's  
 21:0 25:2 Delete by  
 22:2 27:0 Change [interference] -To- that  
 23:3 27:4 Change thing to do -To- idea  
 23:3 27:4 Delete towards [interference]

23:3 27:4 Insert toward, roadblocks or obs...

24:0 28:2 Change proposals and -To- of these  
before moving

24:1 28:3 Delete {Spc}

26:1 30:4 Change of lowering -To- and

26:2 31:0 Change portion [interference] -To-  
of it,

26:2 31:0 Delete [interference]

26:2 31:0 Insert of course with John and a...

26:4 31:2 Delete s

27:2 31:6 Change (inaudible) -To- some  
finished product

27:4 32:2 Delete ,

27:4 32:2 Change , -To- is

28:6 33:2 Delete s,

28:6 33:2 Insert we can -

28:6 33:2 Delete s

29:1 33:3 Delete to be

29:10 34:9 Delete what was

30:0 34:9 Insert d

30:1 34:10 Delete other than tell the commi...

30:1 34:10 Insert with the committee other ...

30:1 35:0 Insert the

31:1 35:3 Insert ,

31:4 36:3 Change ee, -To- o

31:4 36:3 Change is -To- was



31:4 36:3 Change s managed. And -To- demands, and

31:4 36:3 Change . I -To- ; i

32:1 36:4 Delete ,

32:3 37:1 Insert , or

32:3 37:1 Change of today, if -To- up to date as

32:3 37:1 Change - i -To- . I

33:1 38:1 Delete [interference] recognize ...

33:1 38:1 Insert project is underway, we a...

34:7 39:7 Change (inaudible) -To- try to get folks on board

35:0 39:7 Insert guys

35:1 40:1 Change . P -To- , the p

35:1 40:1 Insert our

35:1 40:1 Change chew -To- true

35:1 40:1 Change (inaudible) -To- on-road

35:3 40:3 Change Rick -To- Dick

36:0 41:0 Insert That's all I have to sa...

36:1 41:1 Insert Thank you.

36:2 41:2 Delete from some of the

36:2 41:2 Delete [interference]

36:2 41:2 Insert on the one, two, three it...

36:3 41:3 Delete ed

37:1 42:1 Delete (Inaudible)

37:1 42:1 Insert I really don't know, I th...

37:2 42:2 Change can -To- , an

38:12 44:0 Change and the -To- an  
 39:0 44:0 Delete - {Hrt}[interference - 8  
 minu...  
 39:0 44:0 Insert will also cause problems....  
 40:0 44:3 Delete evaluate program performa...  
 40:0 44:3 Insert needs to really pay atten...  
 42:3 52:3 Delete (Inaudible)  
 42:3 52:3 Insert That I've been working on...  
 42:3 52:3 Insert analysts at  
 42:3 52:3 Change Generally -To- In general,  
 42:3 52:3 Change impact -To- EMFAC  
 42:3 52:3 Change has been -To- is mainly  
 42:3 52:3 Change she gets -To- I should give  
 her  
 42:5 52:5 Change (Inaudible) -To- I'm ready  
 for five now  
 42:6 52:6 Insert Wow.  
 43:1 53:3 Change (inaudible) -To- that I'm in  
 that category  
 43:1 53:3 Delete {Spc}  
 43:2 53:4 Change (inaudible) -To- has a great  
 fear that  
 43:2 53:4 Change (inaudible). -To- will be -  
 43:3 53:5 Insert He'll be finished, right?...  
 43:3 53:6 Delete that  
 43:3 53:6 Change are generally -To- at BAR to  
 be

43:3 53:6 Change on -To- from  
 43:3 53:6 Change , with -To- . It's  
 43:3 53:6 Insert {Hrt}  
 43:3 54:0 Change to their technique -To- that  
 they're taking  
 43:4 54:1 Insert deep  
 43:4 54:1 Insert broad  
 44:1 54:2 Change (inaudible) -To- pass rates  
 44:1 54:2 Delete (inaudible) stations. St...  
 44:1 54:2 Insert types of stations, and I'...  
 44:1 54:2 Change , -To- .  
 44:1 54:2 Change think -To- picked  
 44:1 54:2 Change is -To- as  
 44:1 54:2 Delete good  
 44:2 54:3 Change I -To- I've  
 44:2 54:3 Change {Hrt}Some -To- I have some  
 44:3 54:3 Change reviews -To- s to do  
 44:3 54:3 Change I did -To- I've done  
 44:3 54:3 Change that there's -To- there will  
 be  
 44:3 54:3 Change he whole concept to be -To- o  
 hold constant  
 44:4 54:4 Insert what  
 44:4 54:4 Delete but  
 44:4 55:0 Insert se  
 44:4 55:0 Change you -To- we

44:4 55:0 Change along the bottom -To- a lot  
 about  
 44:4 55:0 Change (inaudible) at -To- a sample  
 that is not  
 44:4 55:0 Insert s  
 44:4 55:0 Change pull -To- hold  
 44:4 55:0 Insert constant  
 44:5 55:1 Change their -To- this  
 45:0 55:1 Change (inaudible) -To- very  
 heterogenous  
 45:0 55:1 Change now -To- it's how  
 45:0 55:1 Change deal -To- data  
 45:0 55:1 Delete {Hrt}  
 45:1 55:1 Change we have -To- these are  
 45:1 55:1 Change (inaudible), -To- not random  
 45:2 55:2 Change use -To- do  
 45:3 55:3 Change 13 -To- thirteen  
 45:3 56:0 Change labeled -To- given  
 45:3 56:0 Change (inaudible) their -To-  
 particular  
 45:3 56:0 Change for -To- in  
 45:4 56:1 Change had -To- can  
 45:4 56:1 Change en reported -To- reporting  
 45:4 56:1 Change report -To- version  
 45:4 56:1 Change (inaudible) -To- tells the  
 45:4 56:1 Change the -To- a  
 45:4 56:1 Change that would be -To- working

45:4 56:1 Change a -To- this  
 45:4 56:1 Insert {Hrt}  
 46:0 56:2 Change - there's -To- ,  
 46:0 56:2 Insert ,  
 46:1 56:3 Change for BAR and CARB -To- of what  
 I've uncovered,  
 46:1 56:3 Change up -To- , with one  
 exception,  
 46:1 56:3 Change one -To- a  
 46:1 56:3 Insert or something  
 46:1 56:3 Change then -To- that means  
 46:3 57:1 Insert Yes, it seems high to me,...  
 46:3 57:1 Delete (inaudible), but  
 46:3 57:1 Insert which you'll see in a min...  
 46:3 57:3 Delete ed  
 46:4 57:4 Change , and t -To- . T  
 46:4 57:4 Change we -To- it  
 46:4 57:4 Insert s  
 47:0 57:4 Delete imagine, which is the one...  
 47:0 57:4 Insert imagined. Look at the on...  
 47:1 57:5 Change Where we found -To- Or at  
 least on  
 47:1 57:5 Change at -To- e  
 47:1 57:5 Delete s  
 47:1 57:5 Change (inaudible) -To- , so a  
 47:1 57:5 Delete (inaudible)  
 47:1 57:5 Insert thing. Let's see if I ca...

47:1 58:0 Delete even  
 47:2 58:1 Delete (inaudible)  
 47:2 58:1 Insert among these, I guess ther...  
 47:2 58:1 Insert where there's a 'l'  
 47:2 58:1 Delete (inaudible)  
 47:2 58:1 Insert , it's a Mazda dealership...  
 47:2 58:1 Insert {Hrt}  
 47:2 58:2 Change you'll -To- we'll  
 47:2 58:2 Insert in these shops  
 47:2 58:2 Change just -To- almost  
 48:0 58:2 Change (inaudible) -To- that tech ID  
 48:0 58:2 Change very -To- rather  
 48:0 58:2 Change But -To- So  
 48:1 58:3 Change (inaudible) -To-

heterogeneity

48:1 59:0 Change . {Hrt}A -To- , a  
 48:2 59:0 Change is -To- are  
 48:2 59:0 Insert s  
 48:2 59:0 Change , so -To- .  
 48:2 59:0 Change that we should put them -To-

this

48:2 59:0 Change n -To- s  
 48:2 59:0 Insert fundamentally  
 48:4 59:2 Change Y -To- To further that, y  
 48:5 59:3 Insert ,  
 48:5 59:3 Change with -To- , is  
 48:5 59:3 Change , and -To- . I had

48:5 59:3 Change 'New -To- "New  
 48:5 59:3 Change for the -To- a  
 48:5 59:3 Change feeding -To- seen  
 48:5 59:3 Delete to  
 48:5 59:3 Delete but  
 49:0 59:3 Change Then -To- And  
 49:0 59:3 Change you -To- we  
 49:0 60:0 Change g entry -To- t of  
 49:0 60:0 Insert , though,  
 49:0 60:0 Insert ,  
 49:0 60:0 Change them -To- those  
 49:0 60:0 Change we -To- they  
 49:1 60:1 Insert there are  
 49:1 60:1 Insert s  
 49:2 60:2 Delete s  
 49:2 60:2 Delete (inaudible)  
 49:2 60:2 Insert and so there will be some...  
 49:2 60:2 Change , -To- that  
 49:2 60:2 Change . O -To- and o  
 49:2 60:2 Change If you -To- So  
 49:2 60:2 Delete sixth  
 49:2 60:2 Insert one, two, three, four, fi...  
 49:2 60:2 Delete , there's 1204 [interfere...  
 49:2 60:2 Insert where there are 1,243  
 49:2 60:2 Delete [interference]  
 49:2 60:2 Insert has a pass rate of 96.58....  
 49:2 60:3 Delete d

49:2 60:3 Delete ,  
 49:3 61:1 Change It's -To- If there  
 49:3 61:1 Change an -To- are two  
 50:0 61:1 Change (inaudible). If -To-  
 business, if  
 50:0 61:1 Change the -To- m to get a  
 50:0 61:1 Change tends -To- that's going  
 50:0 61:1 Change . So -To- , and  
 50:0 61:1 Delete (inaudible)  
 50:0 61:1 Insert from what I've understood...  
 50:0 61:1 Change , you're -To- is  
 50:0 61:1 Change e -To- is  
 50:0 61:1 Change (inaudible) -To- at the  
 minimum  
 50:0 61:1 Change (inaudible) -To- that the  
 tables  
 50:0 61:1 Delete (inaudible)  
 50:0 61:1 Insert ought to be distinguishin...  
 50:0 61:1 Insert , I conclude from this  
 50:0 61:1 Delete  
 50:1 61:2 Delete (inaudible)  
 50:1 61:2 Insert something special happene...  
 50:1 61:2 Change (inaudible) -To- I'm a little  
 worried  
 50:1 61:2 Change -To- {Hrt}  
 50:1 61:3 Delete (inaudible) dealers (inau...  
 50:1 61:3 Insert they've worried about the...



50:1 61:3 Change they're missing -To- this is  
 50:3 61:5 Change (inaudible) -To- separately  
 50:3 61:5 Delete (inaudible)  
 50:3 61:5 Insert . It's often not hard si...  
 50:3 61:5 Change there's -To- there says  
 50:4 62:1 Change it's my -To- this is an  
 50:4 62:1 Change one thing we just -To-  
 lumping this  
 50:4 62:1 Change (inaudible) if it's -To-  
 giving - is  
 51:0 62:1 Change it's (inaudible) -To- this  
 finely enough  
 51:0 62:1 Delete {Spc}  
 51:2 62:3 Insert ed  
 51:2 62:3 Delete (Inaudible)  
 51:2 62:3 Insert That's a very key statist...  
 51:2 62:3 Insert {Spc}  
 51:3 62:4 Insert if  
 51:3 62:4 Change newer -To- younger  
 51:3 62:4 Change (inaudible) -To- who ought to  
 pass more,  
 51:3 62:4 Change a -To- e  
 51:3 62:4 Change e -To- is  
 51:3 62:4 Insert the  
 51:3 62:4 Change at -To- of  
 51:3 62:4 Change follows -To- fault flows  
 51:3 62:4 Delete . (Inaudible)

51:3 62:4 Insert , so the quantification o...  
 51:3 62:4 Insert s  
 51:3 62:4 Change used -To- s ascribed  
 51:3 62:4 Change describe the -To- these  
 51:5 62:6 Change HOTCHKISS -To- HISSERICH  
 51:5 63:0 Insert of the  
 51:6 63:1 Change done that. -To- -  
 51:7 63:2 Delete HOTCHKISS: That would be...  
 51:7 63:2 Insert HISSERICH: You haven't d...  
 51:8 63:3 Insert {Hrt}MEMBER HISSERICH:

Yeah....

51:8 63:5 Change and -To- ,  
 51:8 63:5 Change m -To- se  
 51:8 63:5 Change look at -To- do this for  
 52:0 63:5 Change . {Hrt}B -To- , b  
 52:1 63:5 Insert I go back to  
 52:1 63:5 Delete (inaudible)  
 52:1 63:5 Insert ly homogenous within them...  
 52:2 63:6 Delete normal (inaudible) for NO...  
 52:2 63:6 Insert more homogenous than not  
 52:2 63:6 Change (inaudible) -To- his

dealership

52:2 63:6 Delete (inaudible)  
 52:2 63:6 Insert what BAR analysts have do...  
 52:2 63:6 Delete {Spc}  
 52:3 63:7 Change and -To- , they  
 52:3 63:7 Delete ,

52:3 63:7 Insert - {Hrt}MEMBER WILLIAMS:

Muc...

52:3 63:9 Delete ,

52:3 63:9 Insert - {Hrt}MEMBER WILLIAMS:

Yes...

52:3 64:2 Insert the

52:4 64:3 Insert of

52:4 64:3 Insert it

52:4 64:3 Change maybe -To- and I may be

52:4 64:3 Delete (inaudible)

52:4 64:3 Insert not my beef here, is that...

52:4 64:3 Delete ,

52:4 64:3 Change (inaudible) -To- some

mistakes

52:4 64:3 Change way -To- one

52:4 64:3 Change , which -To- . This

52:4 64:3 Change my (inaudible) -To- why their

instinct

52:4 64:3 Insert , but I'm not sure

52:5 64:4 Delete [interference]

52:5 64:4 Insert It would be interesting a...

52:6 64:5 Delete (Inaudible)

52:6 64:5 Insert Okay. Have I done enough...

53:0 64:5 Insert maybe

53:0 64:5 Change does not -To- cannot

53:0 64:5 Change that -To- whether

53:0 64:5 Delete (inaudible)

53:0 64:5 Insert , and who knows how accur...  
53:1 65:0 Delete that  
53:1 65:0 Delete y'  
53:1 65:0 Change all (inaudible) -To- are a  
lot of them

53:1 65:0 Delete (inaudible)  
53:1 65:0 Insert which is the big Gold Shi...  
53:1 65:0 Change they've -To- you've  
53:1 65:0 Change The -To- This is not the  
53:1 65:0 Insert and  
53:1 65:0 Change , which -To- . As  
53:1 65:0 Change is making a -To- , this  
takes the

53:2 65:1 Insert the  
53:3 65:2 Change T -To- Since t  
53:3 65:2 Change . I -To- , i  
53:3 65:2 Delete (inaudible)  
53:3 65:2 Insert there are probably more p...  
53:3 65:2 Insert , possibly  
53:4 65:3 Delete , but  
53:4 65:3 Insert .{Hrt}MEMBER WILLIAMS:

That'...

53:4 65:5 Change test-and-repair -To- test-  
only

54:1 65:6 Insert It does, indeed.  
54:1 65:6 Change we'd say -To- then you'd  
think

54:1 65:6 Insert such  
 54:1 65:6 Delete and  
 54:1 65:6 Change have -To- need  
 54:1 65:6 Change T -To- But t  
 54:1 66:0 Change fairly even -To- uneven  
 54:2 66:1 Insert of attempting  
 54:2 66:1 Delete simply  
 54:3 66:2 Insert s  
 54:4 66:3 Delete (inaudible)  
 54:4 66:3 Insert these aren't the equivale...  
 54:4 66:3 Delete (inaudible)  
 54:4 66:3 Insert I can see a technician do...  
 54:4 66:3 Delete to be  
 54:4 66:3 Change (inaudible) -To- pure noise

in the data

54:4 66:3 Delete (inaudible).  
 54:4 66:3 Insert , that's another category...  
 55:0 66:5 Change almost -To- only  
 55:1 67:1 Delete (Inaudible)  
 55:1 67:1 Insert Yes. This is designated ...  
 55:1 67:1 Insert shop, but something inte...  
 55:3 67:3 Change e -To- is  
 55:3 67:3 Insert (inaudible) or was there...  
 55:4 67:4 Delete missing clarification her...  
 55:4 67:4 Insert misidentification there  
 55:4 67:4 Insert been  
 55:4 67:4 Change (inaudible) -To- link this

	55:4	67:4	Change	(inaudible) -To- Toyota
Camrys				
	55:4	67:4	Delete	{Spc}
	56:0	68:0	Change	. Now, -To- and
	56:0	68:0	Change	w -To- . W
	56:0	68:0	Insert	It's in the dataset sev...
	56:1	68:1	Insert	Okay.
	56:4	68:4	Delete	(inaudible)
	56:4	68:4	Insert	is - that's a different c...
	56:4	68:4	Delete	{Spc}
	56:5	68:5	Change	one of those -To- new to
California				
	56:8	68:8	Insert	or there's a license plat...
	56:11	69:3	Change	ah -To- s
	56:11	69:3	Delete	,
	57:0	69:3	Change	, -To- it
	57:0	69:3	Delete	,
	57:0	69:3	Insert	the
	57:0	69:3	Delete	a
	57:1	69:4	Delete	(Inaudible)
	57:1	69:4	Insert	The way this particular d...
	57:1	69:4	Insert	with
	57:1	69:4	Change	at -To- in
	57:1	69:4	Delete	(inaudible)
	57:1	69:4	Insert	something about it like i...
	57:1	69:4	Insert	don't know - I
	57:1	69:4	Change	input -To- link with

57:2 69:5 Insert to do with this  
 57:2 69:5 Change the -To- a  
 57:2 69:5 Change . If they -To- the - they  
 may  
 57:2 69:5 Change then maybe -To- okay, and it  
 may be that  
 57:2 69:5 Delete (inaudible)  
 57:2 69:5 Insert have them go mostly to a ...  
 57:3 69:6 Insert ,  
 57:3 70:0 Change (inaudible) and -To- this  
 until recently so  
 57:3 70:0 Delete (inaudible) mention  
 57:3 70:0 Insert otherwise in that case I'...  
 57:3 70:0 Change there's -To- there are these  
 57:3 70:0 Insert s  
 57:3 70:0 Insert s  
 57:3 70:0 Change {Hrt}I -To- I've  
 57:4 70:0 Delete (inaudible)  
 57:4 70:0 Insert ed it Fresno. Maybe ther...  
 57:4 70:0 Insert and a  
 57:4 70:0 Delete s  
 57:4 70:0 Change make -To- see the  
 58:2 70:2 Insert with a car is  
 58:2 70:2 Insert these  
 58:2 70:2 Delete be  
 58:2 70:2 Change along -To- in common on  
 58:2 70:2 Change in -To- and

58:2 70:2 Insert {Hrt}  
 58:2 70:3 Change car (inaudible) -To-  
 clientele at a  
 58:2 70:3 Change population of -To-  
 proposition that  
 58:2 70:3 Insert er  
 58:2 70:3 Delete that  
 58:2 70:3 Change tested are -To- more likely  
 to  
 58:2 70:3 Delete ed  
 58:2 70:3 Change are -To- have been  
 58:2 70:3 Change we'll -To- I think you'll  
 58:4 71:1 Delete s  
 58:4 71:1 Insert some  
 58:4 71:1 Insert ,  
 58:4 71:1 Insert did I pick this  
 58:4 71:1 Change envisioned -To- ambitions  
 58:4 71:1 Delete (inaudible)  
 58:4 71:1 Insert , but I was up till midni...  
 58:5 71:2 Change (inaudible) are all -To- it's  
 hard to draw  
 58:5 71:2 Change d since it's -To- inferences  
 59:1 71:3 Insert this period  
 59:1 71:3 Delete 2000 I've tracked (inaudi...  
 59:1 71:3 Insert 2004 I've tracked every c...  
 59:1 71:4 Delete (inaudible).  
 59:1 71:4 Insert where there would be test...



59:1 72:1 Delete their record went (inaudi...  
 59:1 72:1 Insert there's a record that end...  
 59:2 72:2 Insert meeting these conditions  
 59:2 72:2 Delete {Hrt}  
 59:3 72:2 Change was -To- is  
 59:3 72:2 Delete er  
 59:3 72:2 Change model -To- now  
 59:3 72:2 Change really -To- fairly  
 59:3 72:2 Delete (Inaudible)  
 59:3 72:2 Insert More to my surprise since...  
 59:4 72:3 Change status -To- tests  
 59:4 72:3 Change I -To- Now, you  
 59:4 72:3 Change 385 -To- 785  
 59:4 72:3 Change (inaudible) -To- sequences on  
 59:4 72:3 Delete '  
 59:4 72:3 Delete (inaudible)  
 59:4 72:3 Insert that's a different catego...  
 59:4 72:3 Delete {Spc}  
 59:5 72:4 Delete either (inaudible) or  
 59:5 72:4 Insert a high emitter profile an...  
 60:0 72:4 Change . -To- , and  
 60:0 72:4 Change Camry's, -To- Camrys  
 60:0 73:0 Change ultimately -To- .{Hrt}Others  
 60:0 73:1 Delete (inaudible)  
 60:0 73:1 Insert that I'm calling voluntee...  
 60:0 73:1 Change inspection -To- test  
 60:0 73:1 Change They're -To- They are

60:0 73:1 Insert s  
 60:0 73:1 Change we'll -To- I'll  
 60:0 73:1 Change test -To- tests done  
 60:0 73:1 Change (inaudible) -To- business,

too

60:0 73:1 Change I'm -To- I was  
 60:1 73:2 Insert on this  
 60:1 73:2 Delete the  
 60:1 73:2 Delete the  
 60:1 73:2 Change e -To- is  
 60:1 73:2 Change we can quantify -To- we've

been quantifying

60:1 73:2 Change the -To- a  
 60:1 73:2 Change a -To- that  
 60:1 73:2 Change given -To- giving  
 60:3 73:4 Delete you're (inaudible)  
 60:3 73:4 Insert we're recognizing that th...  
 60:3 73:4 Change I -To- I've  
 60:4 73:5 Change two -To- few  
 60:4 73:5 Change varied -To- very big  
 60:5 74:1 Delete is (inaudible)  
 60:5 74:1 Insert I own one and I wanted to...  
 61:0 74:1 Change test data -To- pass rates  
 61:0 74:1 Change failing -To- selling  
 61:0 74:1 Insert , which means somebody's ...  
 61:2 74:3 Change But c -To- C  
 61:2 74:3 Delete ed

61:2 74:3 Change think that -To- take it  
 61:2 74:3 Delete .{Hrt}Now  
 61:3 74:3 Change I -To- and I've  
 61:3 74:3 Insert the  
 61:3 74:3 Change under the -To- .{Hrt}Okay.

Of a

61:3 74:4 Change at -To- of  
 61:3 74:4 Delete [interference]  
 61:3 74:4 Insert , or at least if we're st...  
 61:3 74:4 Delete of median mileage (inaud...  
 61:3 74:4 Insert , and you have to guess t...  
 61:3 74:4 Change . -To- , right?  
 61:6 75:1 Delete ,  
 61:6 75:1 Delete t'  
 61:6 75:1 Change 2 -To- 4  
 62:0 75:1 Change like it's very -To- that

that's pretty

62:1 75:2 Change nd look at -To- t what's  
 62:1 75:2 Insert ,  
 62:1 75:2 Change t the test's -To- nd when I

say pass

62:1 75:2 Change a pattern -To- up passes  
 62:1 75:2 Change e -To- at  
 62:1 75:2 Delete try  
 62:1 75:2 Insert time. Is that very diffe...  
 62:1 75:2 Delete {Spc}  
 62:5 75:6 Change I'll -To- I will

62:7 75:8 Change (inaudible) -To- exactly what  
is

62:7 75:8 Change year -To- here

62:7 75:8 Delete {Spc}

62:9 75:10 Change e -To- io

62:9 76:0 Insert - {Hrt}MEMBER WILLIAMS:

Yes...

62:9 76:2 Delete find

62:9 76:2 Insert find - {Hrt}MEMBER WILLIAMS:

...

63:1 76:5 Insert No.

63:1 76:5 Insert agree

63:1 76:5 Change ll do - -To- th you.

63:1 76:5 Delete (inaudible)

63:1 76:5 Insert in this as I was doing in...

63:1 76:5 Delete the percentage (inaudible...

63:1 76:5 Insert done for today, I've knoc...

63:2 76:6 Change when -To- and

63:2 76:6 Insert at this

63:3 76:7 Delete (inaudible) one car (inau...

63:3 76:7 Insert - but I was prompted to d...

63:3 76:7 Delete (inaudible)

63:3 76:7 Insert and failed at every one. ...

63:3 77:0 Delete (inaudible) and passes. ...

63:3 77:0 Insert and finally one of those ...

63:3 77:0 Delete {Hrt}(Inaudible) there's

vari...

63:3 77:0 Insert So he's in the data file ...

63:4 77:0 Change sequence -To- too

63:4 77:0 Change but -To- so

63:4 77:0 Change (inaudible) -To- 's a

different type of

63:4 77:0 Change (Inaudible) -To- But notice

here that

63:5 77:1 Delete (inaudible)

63:5 77:1 Insert even when they fail, and ...

63:5 77:1 Delete when

63:5 77:1 Change that -To- where

63:5 77:1 Delete in that

63:5 77:1 Change , so t -To- . T

63:5 77:1 Change it -To- this

63:5 77:1 Change 20 -To- twenty

63:5 77:1 Change - -To- a week,

64:0 77:1 Delete (Inaudible)

64:0 77:1 Insert First cut is to see is th...

64:1 77:2 Change column -To- pattern here

64:1 77:2 Change e -To- is

64:1 77:2 Delete in both places. (Inaudib...

64:1 77:2 Insert at both places. Okay. T...

64:2 78:1 Insert Yeah.

64:2 78:1 Change indication -To- implication

64:4 78:3 Delete That's

64:4 78:3 Insert {Hrt}MEMBER WILLIAMS: But

fr...

64:5 78:6 Change truth of that -To- good and  
the bad news

64:5 78:6 Delete (inaudible)

64:5 78:6 Insert that I see in this sugges...

64:5 78:6 Insert {Spc}

64:6 78:7 Insert but

64:6 78:7 Change (inaudible) -To- graduate

64:6 79:0 Insert what

64:6 79:0 Delete what

64:6 79:0 Insert ed

65:1 79:1 Change (inaudible). -To- , too, and  
so -

65:2 79:2 Delete T

65:2 79:2 Insert You bet, and you have gre...

65:3 79:3 Change (inaudible) -To- is visible

65:3 79:3 Change , -To- .

65:3 79:3 Delete (inaudible). As

65:3 79:3 Insert for these Toyota Camrys, ...

65:3 79:3 Insert there were

65:3 79:3 Change (inaudible) -To- 2,174

65:3 79:3 Change (inaudible) maybe 7 -To- to  
4,000, so 37

65:3 79:3 Insert , which is a very large n...

65:3 79:3 Delete (Inaudible)

65:3 79:3 Insert All right.

65:4 79:4 Change (inaudible) -To- of these  
instances

65:4 79:4 Change all the -To- relevant  
 65:4 79:4 Change . U -To- s, u  
 65:4 79:4 Change (inaudible) -To- of the main  
 65:4 79:4 Change (inaudible) -To- but the case  
 65:4 79:4 Change which were -To- is failed as

a

65:4 79:4 Change s -To- ed  
 65:4 79:4 Delete (Inaudible)  
 65:4 79:4 Insert I want to say right off t...  
 65:5 79:5 Insert es  
 65:5 80:0 Change y may -To- n they  
 65:5 80:0 Change use -To- compute  
 66:0 80:0 Change a -To- the  
 66:0 80:0 Change category -To- establishment  
 66:0 80:0 Insert , the pass/fail rate  
 66:2 80:2 Delete W  
 66:2 80:2 Insert I'm not sure I understand...  
 66:2 80:2 Change (inaudible) -To- we have seen  
 66:2 80:2 Change . -To- , what  
 66:2 80:2 Change it -To- the  
 66:2 80:2 Change . I -To- here, i  
 66:2 80:2 Insert , it's a first try  
 66:2 80:2 Change the -To- you get a  
 66:2 80:2 Change but -To- is  
 66:3 80:3 Delete . (Inaudible) pre-tests ...  
 66:3 80:3 Insert , but there are 449. Whi...  
 66:3 80:3 Change but -To- and

66:3 80:3 Delete (inaudible)  
 66:3 80:3 Insert how many are pass/failure...  
 66:3 80:3 Delete {Spc}  
 66:4 80:4 Delete (inaudible).  
 66:4 80:4 Insert who really should be cred...  
 66:4 81:0 Change It's -To- This is  
 66:4 81:0 Change . I -To- , because i  
 66:4 81:0 Change needs to be -To- it's  
 66:5 81:1 Change , a -To- . A  
 66:5 81:1 Change (inaudible). S -To- at the  
 moment, s  
 67:0 81:1 Insert , the Smog Check Program  
 67:1 81:2 Insert Um-hmm.  
 67:1 81:2 Delete [interference]. Maybe  
 67:1 81:2 Insert may overwhelm the second ...  
 67:2 81:5 Delete (Inaudible)  
 67:2 81:5 Insert Okay, I was going to say ...  
 67:3 81:6 Delete (inaudible)  
 67:3 81:6 Insert wants to buy a drink, I'm...  
 67:3 81:6 Insert {Spc}  
 67:5 81:8 Change After -To- Let's look at  
 67:5 81:8 Insert pass at the first try, p...  
 67:5 82:0 Change for -To- s at  
 67:5 82:0 Delete (inaudible). Why? (Inau...  
 67:5 82:0 Insert and they're a little - on...  
 67:6 82:1 Change . A -To- , a  
 67:6 82:1 Change it's -To- that's



67:7 82:2 Change (Inaudible) -To- Possibly.

And I had a

67:7 82:2 Delete of who volunteers (inaudi...

67:7 82:2 Insert that who volunteers? Wel...

67:7 82:2 Delete the (inaudible)

67:7 82:2 Insert these pools are fairly si...

67:7 82:2 Delete (inaudible) but it's just...

67:7 82:2 Insert for what we learned about...

68:1 83:0 Change neither of those is -To-

mileage plays

68:2 83:1 Insert they're

68:2 83:1 Change the -To- for

68:2 83:1 Change (inaudible) -To- on the same

68:2 83:1 Delete (inaudible)

68:2 83:1 Insert it's less surprising that...

68:3 83:2 Insert , so that kind of blocks ...

68:4 83:3 Delete (inaudible) take it

68:4 83:3 Insert that's one reason I picke...

68:4 83:3 Change ut -To- ne

68:4 83:3 Delete (inaudible) the pass/fail...

68:4 83:3 Insert distinguish the the pass/...

68:4 83:4 Delete (Inaudible)

68:4 83:4 Insert Both, these are the media...

68:4 83:4 Change (inaudible). -To- every -

68:4 83:4 Delete (inaudible) by mileage or...

68:4 83:4 Insert if we are selecting in HE...

68:4 83:4 Change you -To- we

68:4 83:4 Change is not -To- isn't quite

69:0 84:1 Change (inaudible) -To- is quite discouraged,

69:0 84:1 Change (inaudible) -To- has now gotten harder,

69:0 84:1 Change this great variance in -To- the inherent

69:1 84:2 Change (inaudible) -To- the distinction between

69:1 84:2 Delete (Inaudible) but

69:1 84:2 Insert If there were only a few ...

69:1 84:2 Delete (inaudible)

69:1 84:2 Insert these change of ownership...

69:1 84:2 Insert a little better

69:1 84:2 Delete (inaudible) commerce

69:1 84:2 Insert with why they decide to s...

69:1 84:2 Change (inaudible) of -To- they're coming into

69:1 84:2 Delete (inaudible)

69:1 84:2 Insert when they make those deci...

69:3 84:4 Insert Toyota

69:3 84:4 Insert my impression is

69:3 84:4 Insert I bet you could find some...

69:4 85:1 Delete (Inaudible)

69:4 85:1 Insert I think so, too. I'm sor...

69:4 85:1 Change (inaudible) -To- to be confirmed

69:4 85:1 Change but -To- and  
69:4 85:1 Change decision -To- issue  
69:4 85:1 Change (inaudible) -To- all of them?

No

69:4 85:1 Insert Are a couple of them repr...  
69:4 85:2 Change tell you -To- say  
69:4 85:2 Insert the  
69:4 85:2 Delete Right? (Inaudible) {Hrt}With  
69:4 85:2 Insert Not that much, right, bec...  
69:5 85:4 Change also -To- almost don't  
69:5 85:4 Change (inaudible) -To- make is

separate,

70:0 85:4 Insert among these  
70:1 85:5 Insert at,  
70:3 86:2 Insert d  
70:3 86:2 Change {Hrt} -To- {Spc}  
71:1 86:5 Change at -To- that  
72:0 87:3 Delete {Hrt}  
72:2 87:4 Change (Inaudible) -To- That if the

computer

72:2 87:4 Change (inaudible) -To- it's  
72:2 87:4 Insert I did write them, so -  
72:3 88:0 Insert need to  
72:5 88:2 Delete (inaudible)?  
72:5 88:2 Insert if someone wants to put t...  
72:6 88:3 Change stuff -To- slides  
72:6 88:3 Change (inaudible) -To- thrown

72:6	88:3	Delete	{Spc}
73:1	88:6	Insert	. Put the time on hold
73:1	88:6	Insert	, if you would Lynn
73:3	89:2	Insert	and put him back on time
73:6	89:5	Insert	as gross polluters
74:3	90:2	Delete	,
74:3	90:2	Delete	,
75:0	90:2	Delete	[interference].{Hrt}
75:0	90:2	Insert	I think, Mr. Williams, I ...
75:4	91:3	Change	could -To- would
75:4	91:3	Change	(inaudible) -To- out of the
box			
77:1	93:1	Insert	, that's the wrong analog...
78:0	94:0	Change	[interference] -To- efforts
78:0	94:0	Insert	has undertaken. That be...
78:0	94:0	Insert	I urge you to get the qu...
78:5	94:5	Change	t -To- r
79:3	95:2	Change	indirectly -To- not directly
79:3	95:2	Insert	but it's indirectly relat...
79:3	95:2	Insert	an issue or
79:3	95:2	Change	W -To- But w
79:4	95:3	Change	, -To- to get an idea
80:1	96:1	Change	a lot -To- some
80:2	96:2	Insert	up and you go back
81:5	97:5	Change	r -To- f
81:6	97:6	Delete	vehicles to [interference...
81:6	97:6	Insert	direction of vehicles to ...

81:6 98:0 Change forever more -To- forevermore  
 82:0 98:0 Delete 's  
 82:0 98:0 Insert , might not be the same  
 82:1 98:1 Insert the  
 82:1 98:1 Insert s  
 82:2 98:2 Change regulatory -To- regulative  
 84:1 100:1 Delete That's  
 84:1 100:1 Insert {Hrt}I think similarly no

aud...

84:1 100:2 Change been a -To- a human  
 84:1 100:2 Change a -To- the  
 84:2 101:0 Change S -To- s  
 84:2 101:0 Change Check -To- slip  
 84:2 101:0 Delete (inaudible)  
 84:2 101:0 Insert on a failed car and this,...  
 86:6 102:6 Delete (inaudible)  
 86:6 102:6 Insert I haven't spoken to him a...  
 86:7 102:7 Insert then  
 87:1 103:1 Insert [sic]  
 87:1 103:1 Insert 's  
 87:1 103:1 Insert on-road  
 87:1 103:1 Delete {Hrt}  
 87:2 103:1 Change .{Hrt} -To- :  
 87:3 103:1 Delete ,  
 87:3 103:1 Insert of vehicles that aren't ...  
 87:4 103:2 Change is -To- was  
 88:0 104:0 Change In -To- He has been

88:3	104:3	Delete	withhold a
88:3	104:3	Insert	revoke a license if a veh...
88:3	104:3	Delete	if the
88:4	105:1	Insert	delinquent
89:1	105:2	Insert	campaigns
89:2	105:3	Change	y -To- te
90:2	106:2	Change	D -To- Jeff, d
90:2	106:2	Change	more -To- a higher
percentage of			
90:2	106:2	Change	the -To- if we even
90:2	106:2	Insert	the
90:2	106:2	Change	MR. CARLISLE -To- MEMBER
WILLIAMS			
90:4	106:4	Delete	[interference]
90:4	106:4	Insert	I think that it would be ...
90:4	106:5	Delete	{Spc}
90:5	107:1	Change	and -To- in the
91:6	108:2	Change	(inaudible) knows -To- has a
better idea of			
92:1	108:3	Insert	know that we looked at th...
92:1	108:3	Delete	(inaudible)
92:1	108:3	Insert	and saw if they were gett...
92:1	108:3	Delete	(inaudible)
92:1	108:3	Insert	relating to the low incom...
92:1	108:3	Change	on -To- and
92:1	108:3	Change	getting -To- being
92:1	108:3	Delete	(inaudible)

92:1 108:3 Insert doing something to slow t...  
 92:1 108:3 Delete {Spc}  
 93:0 109:3 Delete - {Hrt}[interference - 2  
 minu...  
 93:0 109:3 Insert ethnicity requested on th...  
 93:2 110:2 Delete -  
 93:2 110:2 Insert I guess I want to make cl...  
 93:2 110:2 Delete and (inaudible)  
 93:2 110:2 Insert in the survey, their fear...  
 93:3 110:3 Delete an  
 94:0 111:1 Change is that -To- , at least at  
 94:0 111:1 Insert ,  
 94:0 111:1 Delete l  
 94:0 111:1 Change , -To- is a big county and  
 94:2 111:3 Change (inaudible) -To- what to do  
 94:2 111:3 Delete (inaudible),  
 94:2 111:3 Insert a little tedious - not te...  
 94:2 111:3 Change r -To- v  
 94:2 111:3 Change give -To- do  
 94:2 111:3 Change in some -To- of color  
 94:2 111:3 Delete y'  
 94:2 111:3 Delete approachable if you call ...  
 94:2 111:3 Insert is that approach of goin...  
 94:3 112:1 Delete (inaudible)  
 94:3 112:1 Insert , though, seemed relative...  
 94:3 112:1 Delete (inaudible)  
 94:3 112:1 Insert we've gotten somewhere on...

95:1	112:3	Insert	program
95:1	112:3	Change	reasonable -To- t least a
95:2	112:4	Change	o -To- i
95:4	113:2	Delete	We need to quickly [inter...
95:4	113:2	Insert	Basically, we need to pro...
95:4	113:2	Delete	[interference] of overall
95:4	113:2	Insert	legislation exempts vehic...
96:1	113:5	Insert	negative
96:2	114:1	Change	(inaudible) -To- call-in
96:2	114:1	Delete	{Spc}
96:3	114:2	Insert	We'll get to questions in...
96:5	114:4	Insert	I
97:0	114:4	Insert	the
97:4	115:4	Change	that -To- in
97:4	115:4	Change	John -To- Gentlemen
97:5	115:5	Insert	John?
98:1	116:1	Delete	The [interference]
98:1	116:1	Insert	There was some suggestion...
98:2	116:2	Change	really -To- clearly
99:1	116:3	Change	did -To- could
99:1	117:0	Insert	that
99:1	117:0	Change	id -To- o
99:2	117:1	Insert	I think
99:3	117:2	Insert	
99:4	117:3	Change	when -To- and
100:0	117:4	Change	OBD2 -To- OBD II
100:0	118:0	Delete	s



100:2 118:2 Change we'd -To- do you  
 100:2 118:2 Delete (inaudible)  
 100:2 118:2 Insert , in which case then  
 pres...  
 100:2 118:2 Change (inaudible) -To- cost  
 100:2 118:2 Change (inaudible) probably. N  
 -To- political problem if n  
 100:2 118:2 Change (inaudible) -To- annually  
 they're  
 100:2 118:2 Delete then  
 100:2 118:2 Delete need to be discussed as  
 t...  
 100:2 118:2 Insert didn't really discuss  
 how...  
 100:3 118:3 Delete (inaudible)  
 100:3 118:3 Insert , and so maybe we'll be  
 a...  
 102:0 120:0 Insert and  
 102:0 120:0 Delete [interference] idle a  
 lot...  
 102:0 120:0 Insert high mileage and they  
 sit...  
 102:0 120:0 Insert , and we'll get to that  
 i...  
 102:1 120:1 Delete 's  
 102:2 120:2 Change and -To- if  
 102:5 121:3 Change only -To- other

102:5 121:3 Change would -To- didn't  
 103:0 121:3 Delete them set up so that  
 103:0 121:3 Insert some circumstance where  
 t...  
 103:0 121:3 Change do a -To- sort of  
 103:0 121:3 Delete (inaudible)  
 103:0 121:3 Insert and therefore in a  
 conven...  
 103:0 121:3 Delete (Inaudible)  
 103:0 121:3 Insert I mean, there's a lot of  
 ...  
 103:0 121:3 Insert how  
 103:0 121:3 Change in the current program -To-  
 really identified  
 103:0 121:3 Change , so -To- until  
 103:0 121:3 Delete need to  
 103:0 121:3 Delete and Rocky's hasn't  
 really...  
 103:0 121:3 Insert it probably doesn't make  
 ...  
 103:2 121:5 Change an -To- a commercial  
 103:3 122:1 Insert the  
 105:2 123:3 Delete strongly [interference]  
 105:2 123:3 Insert believe strongly that  
 the...  
 105:3 124:0 Change (inaudible) -To- community  
 members

106:2 124:3 Change The -To- It's a  
 107:5 126:3 Insert inadvertently  
 108:0 126:3 Delete [interference]  
 108:0 126:3 Insert right now that nobody  
 see...  
 111:0 129:2 Insert I don't know  
 111:0 129:2 Change are you -To- you're  
 111:0 129:2 Delete [interference]. I don't  
 ...  
 111:0 129:2 Insert what a high mileage  
 vehic...  
 111:4 130:1 Change Since -To- Essentially,  
 111:5 130:2 Change {Hrt} -To-  
 113:2 132:0 Change we're currently -To- the  
 subcommittee is  
 113:2 132:0 Delete this as  
 113:2 132:0 Change standards -To- statute in a  
 sense  
 113:2 132:0 Change (inaudible) testing -To- in  
 the Nevada statute  
 113:6 132:4 Change wouldn't -To- would  
 113:6 132:4 Change for them -To- be done  
 114:7 133:3 Insert Any other questions  
 fro...  
 114:7 133:4 Change maybe 1107 -To- AB1107  
 115:4 134:3 Change CARB -To- BAR/CARB  
 117:4 136:3 Delete [interference] that's

117:4 136:3 Insert in that report we just  
 sh...

117:5 136:4 Change really get to -To- read  
 this

117:5 136:4 Change on a -To- ing

118:4 137:4 Change middle -To- mill

119:1 138:1 Change middle -To- mill

119:3 138:3 Change (inaudible) -To- reported  
 to

119:3 138:3 Delete {Hrt}

120:0 138:3 Delete ,

120:2 139:2 Delete we

120:3 139:3 Change they'd -To- that

120:3 139:3 Change [interference] -To- that is  
 perhaps

120:3 139:3 Delete [interference]

120:3 139:3 Insert by the time they find  
 out...

122:6 141:6 Change inspection -To- discussion

123:3 142:3 Change d -To- e

124:0 143:0 Delete (inaudible)

124:0 143:0 Insert you're going to have  
 unsc...

125:1 144:3 Change ownership for -To-  
 ownerships

125:1 144:3 Change e curve -To- at occur

127:3 146:4 Insert CACKETTE: Well, you  
can...

127:5 147:4 Change Well -To- No  
127:5 147:4 Change volt -To- bulb  
128:1 147:5 Change category -To- cat  
128:3 148:0 Change d in his -To- s this  
128:4 148:1 Change it's -To- isn't  
128:5 148:2 Change Yeah -To- Precisely  
128:5 148:2 Delete {Spc}  
129:4 148:8 Delete it's a risk and we were  
l...

129:4 148:8 Insert it was a risk  
assessment....

129:4 148:10 Insert we were trying  
129:4 149:0 Delete find a  
129:4 149:0 Change from -To- spent  
129:4 149:0 Insert {Hrt}CHAIR WEISSER:  
You'll...

129:5 149:3 Insert , and then we are going  
t...

131:1 151:0 Delete [interference]. {Hrt}  
131:1 151:0 Insert improvements all the way  
...

132:12 152:10 Delete Chris Ervine from STARS.  
...

133:0 152:10 Insert and change of ownership  
133:3 153:3 Change , s -To- . S

134:0 153:3 Insert {Hrt}  
 134:1 154:1 Change with the -To- to  
 134:6 154:6 Delete [interference]  
 134:6 154:6 Insert that I work on rather  
 reg...  
 134:7 154:7 Delete [interference] on  
 vehicle...  
 134:7 154:7 Insert privately owned vehicles  
 ...  
 135:1 155:1 Delete [interference]  
 135:1 155:1 Insert I just looked at a  
 receip...  
 135:2 155:2 Change the -To- cities and  
 135:2 155:2 Change them -To- these things  
 135:2 155:2 Change (inaudible) -To- we don't  
 need to go there  
 135:6 156:0 Change patrol -To- patrolman  
 136:0 156:0 Delete s  
 138:3 158:3 Insert MEMBER PEARMAN: I've  
 onl...  
 138:4 158:5 Insert Basically,  
 139:1 159:2 Change on -To- are  
 139:1 159:2 Change important -To- improve  
 139:3 159:4 Change . T -To- , but due to t  
 139:3 159:4 Change - -To- stay up,  
 139:4 159:5 Delete - {Hrt}{Tab}{Bld}- oOo -  
 {Bld}{Hrt}{Bld}{Tab}[interfe...

139:4 159:5 Insert that they're major. {Hrt}I  
k...

139:8 160:2 Delete - and provide

139:8 160:2 Insert I think one of the more  
i...

139:9 180:1 Insert on

140:2 180:3 Delete sure [interference]

140:2 180:3 Insert assure that if

Mr. Vander...

141:2 181:2 Insert I think

142:2 182:3 Change o -To- 'O

142:2 183:0 Insert '

142:2 183:0 Change {Hrt} -To- {Spc}

143:3 183:4 Change f -To- r

144:0 184:2 Insert them

144:1 184:3 Change [interference] and so -To-  
it was

144:1 184:3 Delete ,

144:1 184:3 Insert until recently, but it

w...

144:1 184:3 Change (inaudible), and -To-  
dealer at all. And

144:1 184:3 Insert '

144:1 184:3 Change n this -To- f is

144:1 184:3 Insert s

147:11 188:5 Change {Hpg} -To- {Hrt}

147:11	188:6	Insert	{Bld}- o0o -
{Bld}{Hpg}{Bld}			
148:1	189:1	Change	' -To- '
148:1	189:1	Delete	CERTIFICATE
148:1	189:1	Insert	CERTIFICATION of
REVISION...			
148:2	189:2	Insert	revised the previously
148:2	189:2	Delete	the tape-recorded
148:2	189:2	Insert	, using a videotape
recor...			
148:2	189:2	Change	47 -To- 88
148:2	189:2	Insert	revised
148:3	189:3	Change	1 -To- 5